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Customer Service Attributes and Customer Satisfaction in Taiwanese Rural Hotels

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A thesis submitted in partial fulfilment of the requirements of
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LIST OF ABBREVIATIONS

An	Question n of the section A in the questionnaire
CEPD	Council for Economic Planning and Development
CIA	Central Intelligence Agency
COA	Council of Agriculture (Taiwan)
CPA	Central Personnel Administration
Dn	Question n of the section D in the questionnaire
EDP	Expectancy Disconfirmation Paradigm
Fn	Factor n
IPA	Importance Performance Analysis
NTD	New Taiwanese Dollar
ONS	Office for National Statistics
PPO	Perceived Performance Only
Qn	Quadrant n
RIPA	Revised Importance Performance Analysis
ROC	Republic of China (Taiwan)
SARS	Severe Acute Respiratory Syndrome
TRH	Taiwanese Rural Hotel
UN	United Nations
UNESCO	United Nations Educational, Scientific, and Cultural Organization
UNWTO	United Nations World Tourism Organization
WHO	World Health Organization

Declarations

I, I-Ting Chen, hereby certify that this thesis, has been written by me, that it is the record of work carried out by me and that it has not been submitted in any previous application for a higher degree.

Date_____ Signature of candidate _____

I hereby certify that the candidate has fulfilled the conditions of the Resolution and Regulations appropriate for the degree of Doctor of Philosophy at Sheffield Hallam University and that the candidate is qualified to submit this thesis in application for that degree.

Date_____ Signature of supervisor _____

Abstract

Tourism and Hospitality is a service-intensive industry that is dependent on the quality of customers' service experiences and their consequent assessments of satisfaction or dissatisfaction and behavioural intentions. The management of services and measurement of customer satisfaction is thus of crucial importance to the tourism industry and is becoming increasingly important as a result of the growing tourism and hospitality industry in Taiwan. This especially applies to the phenomenon of Taiwanese small rural hotels, which have been growing substantially from 65 hotels in 2003 to 3,407 hotels in 2012 and which present an area so far untapped by researchers.

This study approaches customer satisfaction in Taiwanese rural hotels from a pragmatist perspective and using multi strategy research. First, the qualitative part of the study employs 13 semi structured interviews with hotel owners, experts, and customers in order to define the Taiwanese rural hotel product and to identify 21 customer service attributes. These attributes are then tested in a quantitative study by using self-administered two-part (before and after the service experience) questionnaires in 38 rural hotels in the three counties of Taiwan with the highest population of rural hotels. Results from 1,161 returned questionnaires (77.4 percent response rate) are then analysed using four popular conceptualisations of customer satisfaction: Expectancy Disconfirmation Paradigm (EDP), Perceived Performance Only (PPO), Importance Performance Analysis (IPA), and Revised Importance Performance Analysis (RIPA). In addition questionnaire data are quantitatively analysed using a variety of multivariate analysis techniques and results are computed against customers' overall satisfaction and return intentions. Overall customers currently appear to be neither satisfied nor unsatisfied with the rural hotel experience.

This study provides empirical evidence that the methodological approach chosen for this study is adequate for conceptualising the Taiwanese rural hotel product and identifying its inherent customer service attributes. The proposed 21 service attributes present a framework that subsequent researchers in hospitality and tourism studies in the Taiwanese rural hotel context may want to consider when structuring their enquiries. Furthermore this study finds that all of the four tested approaches EDP, PPO, IPA, and RIPA are applicable for measuring customer satisfaction in a Taiwanese rural hotel context. However, they turn out differing results and findings indicate a superiority of process oriented approaches over the outcome oriented approach. This study emphasises the need for more research in this subject area and rethinking current approaches to measuring customer satisfaction.

Acknowledgements

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Furthermore I want to acknowledge the ongoing support of many colleagues and friends from all over the world. In particular I would like to thank my former colleague in Taiwan Dr. Chih-Ching Yu who was the first one to inspire me in pursuing an academic career, first in teaching and then ultimately to conducting a Ph.D. I also wish to offer my thanks and blessings to my best friend Yi-Yun Lin, my former coach and lifelong mentor Wen-Long Wang, my very good friends Meng-Hui Chen and Mei-Hui Chuang. A special thank goes to my godparents in England, Bill and Sheila Fearnehough, who have been motivating me and made my life in Sheffield more enjoyable. Especially at times when I felt homesick or struggled with the cultural differences their assistance and support was invaluable. They and Christ Church Central in Sheffield have become a second home to me.

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I thank God Jesus Christ Almighty. He gives me strength.

CHAPTER 1: INTRODUCTION

1.1. Research context

Despite political upheaval, economic uncertainty and natural disasters the travel and tourism industry continues to be one of the largest industries in the world (WTTC, 2012). Chen et al. (2013), the WTTC (2012), Chen (2011), Chen (2010), Wang (2010), Chen and Chiou-Wei (2009) or Lee and Chien (2008) point out the connection between the economy and tourism development and many countries have turned tourism into a vehicle for economic growth. As such the global tourism and hospitality industry is a key driver for socio-economic progress through the creation of jobs, enterprises, infrastructure development, and export revenues earned (Chen et al., 2013; Wang, 2010).

Taiwan, with its well-known high-tech and urban face, is a major economic player as one of the four "Asian Tigers", together with Singapore, South Korea, and Hong Kong. It lies within the Asia and the Pacific region, which is one of the fastest growing tourism destinations in the world (WTTC, 2012; WTO, 2010). Accordingly Taiwan's tourist economy is changing substantially and is also growing very rapidly (Chen et al., 2013; Taiwan Tourism Bureau, 2013a; Wang, 2010; Weng and Wang, 2006). The new importance given to tourism in the economic development of Taiwan has become evident in national development plans such as the "six flagship" plan of the Executive Yuan (Ministry of Economic Affairs, 2009). The six flagship plan funds tourism in Taiwan with 30 billion New Taiwanese Dollar (NTD[1]) and has an expected production value of 550 billion NTD and 410,000 additional tourism-related jobs within four years (Ministry of Economic Affairs, 2009; Wang, 2009). Other tourism promotion programs such as "Project Vanguard for Excellence in Tourism" (Taiwan Tourism Bureau, 2010a)

[1] 1 GBP = 45 NTD

and international marketing promotions contribute to rising numbers of inbound visitors to Taiwan. Changing regulations affecting international relations, such as the recent relaxations of travel restrictions between Taiwan and the People's Republic of China, brings an additional 3,000 tourists from Mainland China to Taiwan every day (Taiwan Tourism Bureau, 2010b). International arrivals have increased over the past decade (WTCC, 2012) from almost 3 million visitor arrivals in 2002 to 7,3 million visitor arrivals in 2012 (Taiwan Tourism Bureau, 2013c).

While international tourism development plans have taken effect and are reflected in the rising numbers of international arrivals in Taiwan, changes in regulations have also affected domestic tourism in Taiwan. Important indexes of Taiwanese travellers show an increase in Taiwanese domestic travel (Taiwan Tourism Bureau, 2013b) with 95% of the Taiwanese population taking domestic tourist travel, a total of 152,268,000 trips in 2011, an increase of 1.5% to 2010 (Taiwan Tourism Bureau, 2012). Rising household incomes continue to fuel increased leisure demand (WTTC, 2012).

However, to continue to upgrade and transform its industries and protect itself from economic crises it is important for Taiwan to understand its tourism industry (Su, 2011; Wang, 2010). Tourism has long been considered a vehicle for socio-economic development and regeneration, especially for those affected by the decline of traditional agrarian activities (Chen et al., 2013). For example, when Taiwan joined the Word Trade Organisation in 2002, large volumes of agricultural goods were imported from foreign countries and this had a major impact on traditional agricultural businesses on the island. Local production and marketing became much more competitive and it was increasingly difficult for small independent agricultural businesses to survive (Council of Agriculture Executive Yuan of Taiwan, 2004). Authors, for example Chen et al (2013), Robinson and O'Connor (2013), Su (2011), Urry (2002), or Oppermann (1995) suggest that

these economic constraints can be alleviated when the land is used differently, for example through the transformation of traditional agricultural businesses into small hospitality businesses.

Development over the past decade in Taiwan has shown that more and more land that has previously been used for agricultural purposes is now being used for leisure, recreation and tourism purposes. Several nature-based establishments, such as tourism farms, rural hotels and rural festal activity centres have been created (Tourism Bureau, 2008) and these have altered the use of Taiwan's agricultural areas (Chen et al., 2013). Based on gross domestic product, tourism in Taiwan has overtaken the contribution of agriculture, a traditional strong point of the Taiwanese economy (Taiwan Tourism Bureau, 2013b; WTTC, 2012). This development is also strongly connected with the phenomenon of the Taiwanese rural hotel, which is the focus of this study

Small hotel establishments, such as the Taiwanese rural hotels, can have a substantial positive economic impact, in particular in smaller communities (for example Chen et al., 2013). Figures from the Taiwan Tourism Bureau (2013b) indicate that Taiwanese rural hotel products have multiplied dramatically from 36 hotels in 2001 to 3,236 hotels in 2011. Because of the rapid increase in Taiwanese rural hotels (Taiwan Tourism Bureau, 2013b) they become an increasingly important factor in the hospitality and tourism development in Taiwan (WTTC, 2012). Despite the alleged importance of small rural hotels in Taiwan's economic growth (Taiwan Tourism Bureau, 2013b; WTTC, 2012) no major research study has been conducted to examine the nature of the Taiwanese rural hotels and to investigate levels of customer satisfaction

Although the Taiwanese government has introduced a regulation of small hotels in 2002 (Taiwan Tourism Bureau, 2013b) which governs how to register a hotel there is little guidance, training or support to help the rural tourism entrepreneurs, who are often farmers with a low educational level or with another profession in

accumulation (Loureiro and Gonzalez, 2008), to succeed and turn their new hospitality businesses into a real alternative and sustainable source of income. With regulations focusing mainly on legal and health and safety issues there is a lack of review that addresses this development from a customer service perspective.

Customer satisfaction is an essential tool in creating a competitive advantage (Zehrer et al., 2011; Ziegler et al., 2011). In facing the challenges of the business environment the key to the survival of rural hotels will be their ability to adapt hotel services to the changing needs of customers. However, it is unclear if the many new providers of Taiwanese rural hotels have sufficient understanding of the expectations of potential customers and thus can provide a "good" service. From a customer perspective it is unclear what sort of standard can be expected when visiting Taiwanese rural hotels. There is no accepted minimum standard for which customer service attributes should be offered. At present there is no way of measuring the quality of Taiwanese rural hotels and therefore no way to effectively monitor the performance of these establishments. Critically appraising and defining the Taiwanese rural hotel product and identifying customer service attributes presents an important prerequisite for measuring customer satisfaction in the Taiwanese rural hotel context.

1.2. Research question, aim and objectives

The **research question** addressed in this thesis is:

What is a Taiwanese rural hotel, what are the important customer service attributes of Taiwanese rural hotels, and how satisfied are customers of Taiwanese rural hotels?

The **research aim** of this thesis is:

to contribute to the body of knowledge in tourism and hospitality by providing conceptual information on Taiwanese rural hotels, to critically appraise important customer service attributes of Taiwanese rural hotels, to construct a tool for the measurement of customer satisfaction using those service attributes, and - by applying this tool to a representative sample - to evaluate and analyse customer satisfaction in Taiwanese rural hotels. It is expected that findings emanating from this study will present various stakeholders, in particular government officials, hotel managers, and tourism researchers, with an opportunity for structuring their enquiries.

In order to meet the above aim this thesis is structured around the following **research objectives**:

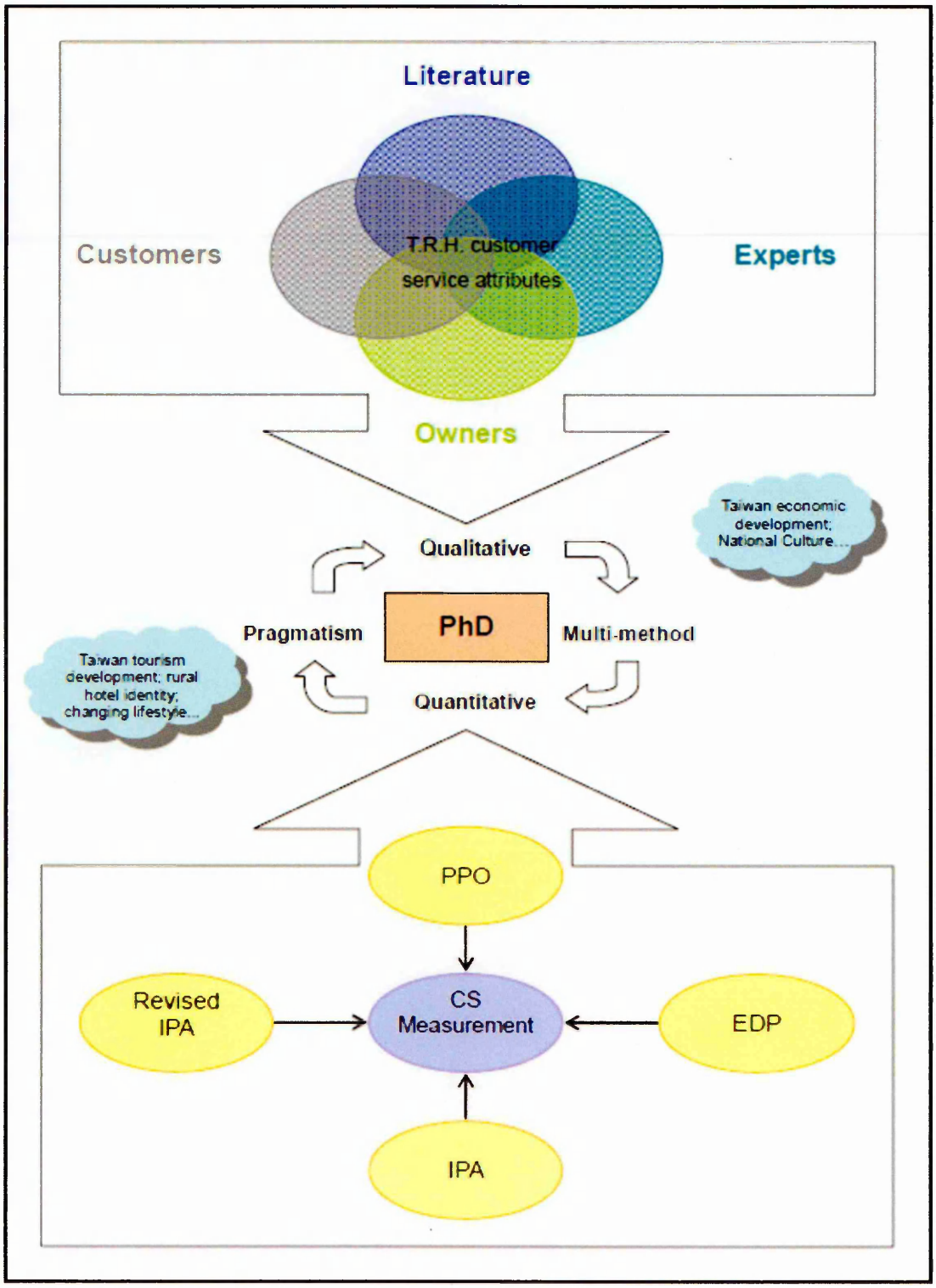
1. synthesise the concept of Taiwanese rural tourism
2. critically appraise the concept of customer satisfaction measurement in a Taiwanese context
3. consider and classify customer service attributes for Taiwanese rural hotels
4. construct a tool for the measurement of customer satisfaction in Taiwanese rural hotels
5. evaluate and analyse customer satisfaction in Taiwanese rural hotels

1.3. Conceptual framework

The conceptual framework pertaining to this study may be seen as consisting of the two major parts of this investigation, a qualitative and a quantitative part, which amalgamate in the present thesis, using a pragmatist philosophy and a multi-method approach. This conceptual framework is exemplified in figure 1.1. The upper part of the framework shows the qualitative part of the study. Consulting literature, experts, hotel owners, and customers the study first aims to identify the Taiwanese rural hotel customer service attributes. The lower part of

the framework shows the survey instrument using four popular conceptualisations for customer satisfaction measurement EDP, PPO, IPA, and RIPA. The centrepiece of the framework presents the 'PhD product', i.e. 'Customer Satisfaction and its Measurement in Taiwanese Small Rural Hotels' as a result of the amalgamation of quantitative and qualitative part of the study from a pragmatist philosophical stance and using multi-method research. The 'clouds' in the framework present the various socio-demographic and other important influences that need be considered throughout the investigation, such as the development of tourism in Taiwan, development or rural hotels, the changing economy and lifestyle, or national culture.

Figure 1.1: Conceptual framework



1.4. Flow of thesis

This section shortly summarises each chapter and demonstrates how they are linked to each other.

Chapter 2 - Tourism in Taiwan: Following this introduction chapter the thesis sets out in chapter 2 on tourism in Taiwan. Customer satisfaction studies in hospitality and tourism are highly context specific (for example Chen et al., 2013; Ramanathan and Ramanathan, 2013; Torres and Kline, 2013; Li et al., 2013; Loureiro, 2012). Accordingly this thesis sets out with information on the research context. It does so in four concise sections, an overview of Taiwan, the development of tourism, tourism expansion and economic development and the role of politics in tourism.

Chapter 3 – Rural tourism, small hotels, and customer service attributes: Rural tourism has become a fast growing component of the hospitality and tourism industry in Taiwan. This is evident through the increase in rural hotels in Taiwan. In order to synthesise the concept of Taiwanese rural tourism and to critically appraise the Taiwanese rural hotel this chapter reviews and analyses the literature on rural tourism, small hotels, and customer service attributes.

Chapter 4 – Customer satisfaction measurement: Customer satisfaction is an important aspect in any business (Hu et al., 2009). It is one of the primary goals of tourism and hospitality businesses and has become a frequent application around the world (Chung and Petrick, 2012). However despite the importance of customer satisfaction and its wide application no customer satisfaction measurement study has been conducted in Taiwanese rural hotels. How customer satisfaction may be measured in the Taiwanese rural hotel context will be discussed in this chapter.

Chapter 5 – The Taiwanese rural hotel: State of the field: Chapter five is a critical summary of the three literature chapters. The chapter elaborates what is known about the Taiwanese rural hotel upon commencement of this study. It recaps in section 5.2 on the literature on Taiwanese rural hotels, in section 5.3 on how customer service attributes in relevant studies have been identified, in section 5.4 which overall research methods have been employed in related studies, and in section 5.5 on how customer satisfaction has been measured and analysed in previous studies. The chapter closes with a critical discussion in section 5.6 and sets a clear path for the research methodology in this study.

Chapter 6 – Research methodology: Chapter six introduces the research methodology employed to answer the research question. The chapter sets out with a section on research philosophy and contrasts positivism with relativism before rejecting the incompatibility theory and introducing pragmatism as a balanced and pluralist position that is adequately suited for answering the research question. Multi strategy research is introduced as the methodological consequence of pragmatism. Flowing from the needs-based pragmatist approach this study uses both qualitative and quantitative methods. The qualitative study is used to investigate customer service attributes of Taiwanese rural hotels. The chapter provides information on the use of semi-structured interviews, respondent selection, and interview guidance sheet, before detailing the qualitative data analysis process. This results in the development of a questionnaire instrument for the quantitative part of the study. The quantitative study is used to address the question 'how satisfied customers of Taiwanese rural hotels are'. Information is provided pertaining to the questionnaire instrument, including design, piloting and sampling, before detailing the quantitative data analysis process. Chapter six also discusses issues pertaining to translation of data from Mandarin and Taiwanese into English as well as ethical issues to this study.

Chapter 7 – Customer service attributes in Taiwanese rural hotels: Chapter seven presents the qualitative findings of this study. Through providing expert, rural hotel owner, and customer views, it details the Taiwanese rural hotel product and provides in-depth information on the customer service attributes offered in those establishments. Chapter seven provides a framework of 21 customer service attributes on which the questionnaire instrument for measuring customer satisfaction in chapter eight is based on.

Chapter 8 – Customer satisfaction in Taiwanese rural hotels: Chapter eight presents the quantitative findings of this study stemming from 1,161 valid questionnaire responses. It presents the Taiwanese rural hotel customer profile in regard to gender, age group, methods for choosing the hotel, and length of stay. The chapter provides statistical data on internal reliability, construct validity, factor-, frequency-, and linear regression analysis. It then presents customer satisfaction rates according to the four measurement methods EDP, PPO, IPA, and RIPA.

Chapter 9 – Conclusion: Chapter nine draws conclusions to this study. It concludes against the main research question of the thesis by breaking it down into the three research related questions: 'what is a Taiwanese rural hotel'; 'what are the important customer service attributes of Taiwanese rural hotels'; and 'how satisfied are customers of Taiwanese rural hotels'. It presents a summary of the contribution to knowledge, discusses the limitations of the research, and presents opportunities for future research, before closing with some reflections and aspirations.

CHAPTER 2: TOURISM IN TAIWAN

2.1. Introduction

Customer satisfaction studies in hospitality and tourism are highly context specific (for example Chen et al., 2013; Ramanathan and Ramanathan, 2013; Torres and Kline, 2013; Li et al., 2013; Loureiro, 2012). Accordingly this thesis sets out with information on the research context. It does so in four concise sections, an overview of Taiwan, the development of tourism, tourism expansion and economic development and the role of politics in tourism.

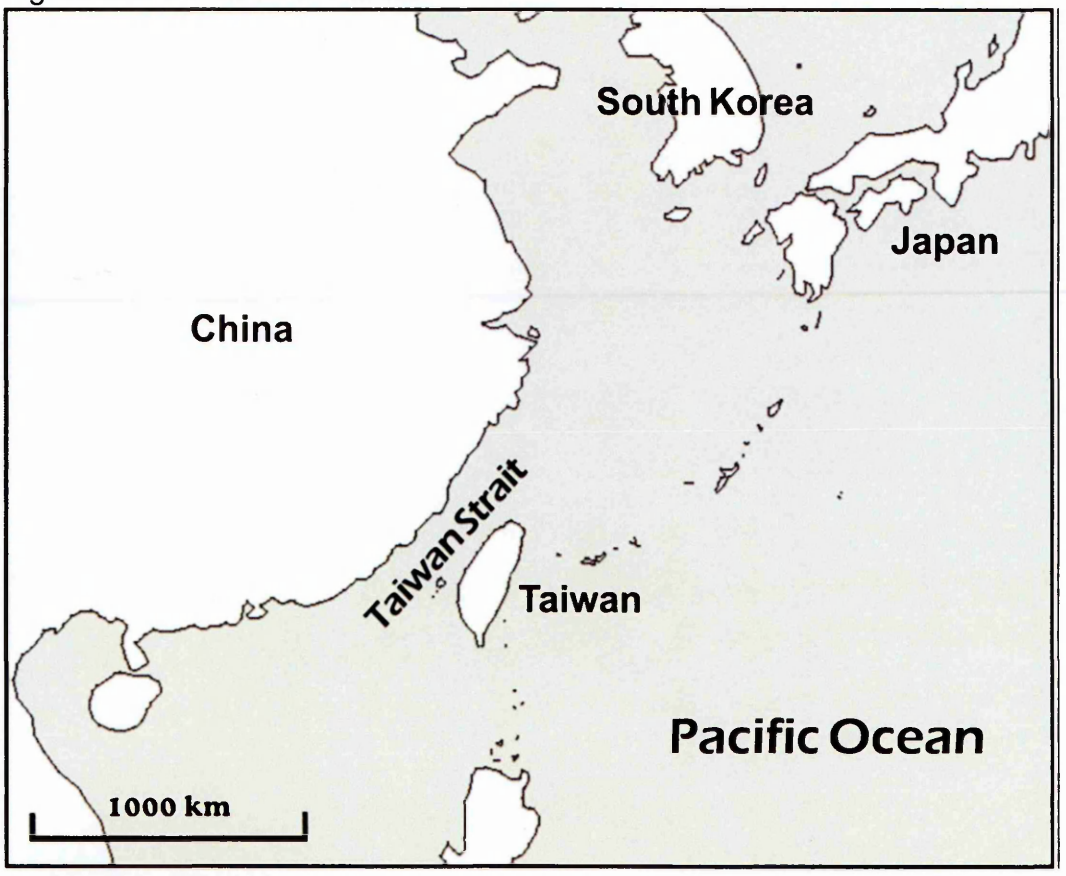
Section 2.2 provides a brief overview of Taiwan with information on its inhabitants, geography and natural characteristics. Section 2.3 on tourism in Taiwan breaks down tourism development into global trends (section 2.3.1), the Asia and the Pacific region (2.3.2), international arrivals in Taiwan (2.3.3) and domestic tourism in Taiwan (2.3.4). Section 2.4 reviews the relationship between the economy and tourism. It discusses changes in Taiwan's economy, opportunities and challenges that come with it (section 2.4.1) and elaborates how the reciprocal relationship between tourism expansion and economic growth in Taiwan (Kim et al., 2006) acts as a vehicle for the island's development (section 2.4.2). Because of the increasing interest in the hospitality and tourism discourse on the relationship between tourism and politics (for example Ingram et al., 2013; Mak, 2013; Chen et al., 2012) and the special political status of Taiwan (CIA, 2013; Bates and Bates, 2005) a discussion of tourism and politics in Taiwan is added (section 2.5). The chapter closes with a discussion in section 2.6.

2.2. A brief overview of Taiwan

Taiwan, or Formosa, is a leaf-shaped island in North-East Asia, southeast of mainland China, and on the western edge of the Pacific Ocean. To the north lies South Korea, in the north-east Japan, and to the south are the Philippines (see figure 2.1 below) (Chen, 2010a). During its long history prehistoric people, aborigines, European settlers from Denmark and Spain, Japanese, and Han Chinese have successively populated Taiwan. This has resulted in a varied culture that inherits different local customs from many different ethnic groups, recently also from the Americans (Taiwan Tourism Bureau, 2013a). Today officially known as the "Republic of China" it has a population of 23 million people and covers an area of 36,000 square kilometres (CIA, 2013). Accordingly Taiwan has a population density of 668 people per square kilometre (in comparison England has a population of 51 million people and an area of 130,395 square kilometres, with a density of 395 people per square kilometre) (CIA, 2013). Taiwan's tropical, sub-tropical and temperate climates provide clear differentiation between the different seasons (Taiwan Tourism Bureau, 2013a).

Taiwan may be said to have two faces: an industrial and a green one. Due to the dramatic changes in Taiwan's industry over the past 60 years Taiwan is often associated with attributes such as modern, high-tech and urban. Alongside with Singapore, South Korea and Hong Kong, Taiwan is one of the "Four Asian Tigers", or one of the four economic powers in the region. International attention is often focused on this industrial face of Taiwan (Taiwan Tourism Bureau, 2013a). However, Taiwan is not just crowded, clamorous and urban. It also has another and green face with more traditional and low-tech attributes (Liu, 2002).

Figure 2.1: Location of Taiwan



Source: Chen (2010a)

Two thirds of Taiwan are covered by forested mountains and the remaining area consists of hilly country, platforms and highlands, coastal plains and basins (Taiwan Tourism Bureau, 2013a). Taiwan has a rich diversity of organic life and some variations are rarely found elsewhere in the world. There are about 18,400 species of wildlife on the island, 20 percent of which are rare or endangered (Taiwan Tourism Bureau, 2013a). Taiwan is also home to Northeast Asia's tallest mountain, Yushan (or Jade Mountain), with a height of 3,952 meters (Taiwan Tourism Bureau, 2013a). Yushan is part of a 270 kilometre long mountain range with 200 peaks running from north to south and forming Taiwan's most dominant topographical feature. This mountain range served as a natural barrier and

helped to protect the eastern part of the island from industrial impacts (Taiwan Tourism Bureau, 2013a). The island's east coast is the most isolated and unspoiled region of Taiwan. For example Hualien County, which faces the Pacific Ocean to the east and leans against the grand central mountain range, is famous for its beautiful scenery and stunning marble canyon of Taroko Gorge. These areas are not only important nature reserves that protect the environment but they also provide great opportunities for recreational activities, environmental education and academic research (Taiwan Tourism Bureau, 2013a). These eastern, mostly rural, areas have progressed differently. Away from the industrialisation Eastern Taiwan has seen the development of rural tourism and the inception of the Taiwanese rural hotel (Tsai, 2007).

In line with the rural hotel development (for example Chen et al., 2013; Liu, 2010; Tsai, 2007) in Eastern Taiwan tourism in general is playing an increasingly important role in the economy of Taiwan (for example Taiwan Tourism Bureau, 2013c; WTTC, 2012; Chen, 2010b). Moreover, with the democratisation progress in Taiwan environmental protection has become an increasingly important political topic (Chen, 2010a; Bates and Bates, 2005). As of 2013 the government has established eight national parks, 13 national scenic areas and many forest recreation areas to preserve Taiwan's best natural ecological environment and cultural sites (Taiwan Tourism Bureau, 2013a).

2.3. Development of tourism in Taiwan

2.3.1. Global trends

The tourism industry is one of the largest industries in the world (for example WTO, 2013; Yang et al, 2010; Chen and Chiou-Wei, 2009). It is estimated that tourism accounts for about five percent of the world's economy (WTO, 2010).

Direct and indirect contribution to employment and the number of jobs worldwide is estimated at around six to seven percent of the world's economy (WTO, 2010). Tourism is an important contributor to the world's economy and can be a key driver of socio-economic progress through export revenues, the creation of jobs and enterprises, and infrastructure development (WTO, 2012). As an internationally traded service inbound tourism in 2012, together with passenger transport, has generated an overall export income of 1.3 trillion US Dollar (WTO, 2013). As an export category tourism accounts for 30 percent of the world's exports of commercial services, six percent of overall exports of goods and services, and ranks fifth after fuels, chemicals, food and automotive products (WTO, 2013).

International tourist arrivals have constantly grown over the past century; from 25 million in 1950, to 277 million in 1980, to 438 million in 1990, and to 681 million in 2000 (WTO, 2010). This growth of international arrivals continued over the next decade until the year 2008-2009, which was market by persistent economic turbulence, major political changes in the Middle East and North Africa, and the tsunami in Japan (UNWTO, 2012). This caused a decline in international arrivals in 2009 by 4.2 percent. However, the tourism industry rebounded from the setbacks of 2008-2009 and international arrivals continued to grow, by 6.4 percent to 940 million travellers in 2010 and by another 4.6 percent to 983 million arrivals in 2011 (UNWTO, 2012). The latest available data from the World Tourism Organization from May 2013 shows that international tourism receipts grew by another 4 percent in 2012 (WTO, 2013).

According to long-term forecasts by the World Tourism Organization (WTO, 2012) international arrivals are expected to increase by an average of 3.3 percent per year over the period 2010 to 2030, which is an increase of 43 million arrivals a year, compared to an average increase of 28 million arrivals per year during the period 1995 to 2010 (WTO, 2012). It is expected that by 2020 about 1.6 billion

international tourist arrivals will turn over two trillion US Dollar (WTO, 2010) and reach 1.8 billion international tourist arrivals by the year 2030 (WTO, 2012).

2.3.2. Asia and the Pacific region

"Asia and the Pacific" encapsulates the regions North-East Asia (including Taiwan), South-East Asia, Oceania and South Asia (WTO, 2012). In terms of international tourist arrivals the Asia and the Pacific region had an average annual growth of 5.9 percent, following Africa with 6.3 percent and the Middle East with 7.3 percent (WTO, 2012). The Americas had an average annual growth of 2.7 percent and Europe a growth of 2.3 percent. The world's average annual growth for this period was 3.5 percent, with 2.4 percent in advanced economies and 5.0 percent in emerging economies (WTO, 2012). See table 2.1

Table 2.1: International tourist arrivals by regions

Region	International tourist arrivals (million)			Average annual growth (%)
	2009	2010	2011	
World	883	940	983	3.5
Advanced economies[2]	475	499	523	2.4
Europe	461.7	474.8	504.0	2.3
Asia and the Pacific	181.1	204.4	217.0	5.9
Americas	141.7	150.7	156.6	2.7
Africa	45.9	49.7	50.2	6.3
Middle East	52.8	60.3	55.4	7.3

Source: Adapted from the World Tourism Organization (UNWTO), 2012

In terms of international tourism receipts the Asia and the Pacific region grew by 4.6 percent from 2007 until 2008 (WTO, 2012). The global economic recession and the tsunami in Japan caused a drop in international tourism receipts by 0.6 percent for the period 2008 until 2009 (WTO, 2012). However, in the period 2009

[2] Classification based on the International Monetary Fund (IMF), see the Statistical Annex of the IMF World Economic Outlook of April 2012

until 2010 the Asia and the Pacific region successfully rebounded from the setbacks of the previous year and grew by 15.5 percent (WTO, 2012). The growth rate for the period 2010 until 2011 in the Asia and the Pacific region was 4.4 percent, equivalent to 289 billion US Dollars in tourism receipts (WTO, 2012). Compared with the other regions the Americas recorded the largest increase in receipts in 2011 (+5.7 percent), followed by Europe (+5.2 percent), Asia and the Pacific (+4.4 percent) and Africa (+2.2 percent) (WTO, 2012). The Middle East was the only region with a negative growth (-14 percent) (WTO, 2012). See table 2.2

Table 2.2: International tourist receipts by regions

Region	International tourist receipts (%)				US$ Receipts (billion)
	2007-2008	2008-2009	2009-2010	2010-2011	2011
World	1.6	-5.6	5.4	3.9	1,030
Advanced economies[3]	1.7	-6.4	5.7	4.8	664
Europe	-0.9	-6.5	0.0	5.2	463.4
Asia and the Pacific	4.6	-0.6	15.5	4.4	289.4
Americas	4.8	-10.0	4.2	5.7	199.1
Africa	-2.5	-5.8	1.7	2.2	32.6
Middle East	5.5	1.2	17.2	-14.4	45.9

Source: Adapted from the World Tourism Organization (UNWTO), 2012

Long term evaluations by the World Tourism Organization show that Asia and the Pacific region had an average annual growth of 8.9 percent for the period 1980 until 1995 and an average annual growth rate of 6.3 percent for the period 1995 until 2010. Long term predictions project an average annual growth for the Asia and the Pacific region of 4.9 percent for the period 2010 until 2030 (WTO, 2012).

[3] Classification based on the International Monetary Fund (IMF), see the Statistical Annex of the IMF World Economic Outlook of April 2012

This is above the world average annual growth projections of 3.3 percent, those of advanced economies (2.2 percent) and emerging economies (4.4 percent) (WTO, 2012). See table 2.3.

Table 2.3: WTO long term evaluations and projections

Region	Average annual growth (%)		
	Actual data		Projections
	1980-1995	1995-2010	2010-2030
World	4.4	3.9	3.3
Advanced economies[4]	3.7	2.7	2.2
Emerging economies	5.8	5.7	4.4
Asia and the Pacific	8.9	6.3	4.9

Source: Adapted from the World Tourism Organization (UNWTO), 2012

2.3.3. International arrivals in Taiwan

When tourism started to grow in the 1960s and 1970s also the local accommodation industry in Taiwan changed. From the 1970's on the Taiwanese government provided incentives in the form of low-interest loans and tax breaks for new businesses, in particular for building international-class hotels and standard-class hotels (Taiwan Review, 2009). From the late 1970s onwards to the early 1990s tourism development slowed down due to changes in the diplomatic recognition of Taiwan and the difficult relationship with mainland China (Lee and Chien, 2008). To counteract these influences and to increase international arrivals in Taiwan the government lifted some of the self-imposed travel restrictions. For example in 1994 the government introduced a five-day visa free entry program for 15 countries (Lee and Chien, 2008; Weng and Wang, 2006). Thanks to further loosening of travel restrictions, a gradual opening to tourists from the mainland, the rapid economic growth of the Asia and the Pacific

[4] Classification based on the International Monetary Fund (IMF), see the Statistical Annex of the IMF World Economic Outlook of April 2012

region and the economic growth of Taiwan the number of international arrivals to Taiwan has since been increasing (see also table 2.4 on international arrivals).

International tourist arrivals have reached a new record high in 2012, with 7,311,470 visitors, an increase of 20 percent compared to 2011 (Taiwan Tourism Bureau, 2013c). The latest survey report from the Taiwan Tourism Bureau (2013c) with detailed information on international travel in Taiwan shows that by 2011 the number of inbound visitors had reached a total of 6,087,484 persons, an increase of 9.3 percent from 2010. The visitor expenditures in tourism in 2011 were 11,065 million US Dollar, equivalent to an annual growth rate of 27 percent. Inbound visitors spent on average 1,818 US Dollars during their stay, which was on average seven nights long. Table 2.4 gives an overview of visitor arrivals and annual growth rate in Taiwan for the period 2002 until 2012 (Taiwan Tourism Bureau, 2013c). The drop in visitor arrivals and annual growth rate in Taiwan of 25 percent in the period from 2002 until 2003 can be explained by the outbreak of the Severe Acute Respiratory Syndrome (SARS) in Hong Kong and South China between November 2002 and July 2003 (WHO, 2013).

Table 2.4: Visitor arrivals and annual growth rate in Taiwan

Year	Number of visitors	Growth rate (%)
2002	2,977,692	5.18
2003	2,248,117	-24.50
2004	2,950,342	31.24
2005	3,378,118	14.50
2006	3,519,827	4.19
2007	3,716,063	5.58
2008	3,845,187	3.47
2009	4,395,004	14.30
2010	5,567,277	26.67
2011	6,087,484	9.34
2012	7,311,470	20.11

Source: Adapted from Taiwan Tourism Bureau, 2013c

2.3.4. Domestic tourism in Taiwan

The increase of international visitors in Taiwan also coincides with the overall development of domestic tourism and changes in leisure and holiday structures in Taiwan. The Taiwanese have increasingly more spare time which allows them to take holiday and go travelling. The Taiwanese used to work a minimum of 12 hours per day, seven days a week (Ministry of Transportation and Communication, 1999). It was not unusual to never leave home city or county. It was only in January 1998 that Taiwanese government agencies, for example the Council for Economic Planning and Development (CEPD) and the Central Personnel Administration (CPA), developed and put into effect the alternating two-day weekend policy, a policy whereby the second and fourth Saturdays of every month are days off (Ministry of Transportation and Communication, 1999).

Since then domestic tourism has been growing in Taiwan. A survey of domestic travel in Taiwan published by the Taiwan Tourism Bureau (2011) shows that in 2011 95 percent of Taiwanese were taking domestic travel. The average number of trips per person in 2011 was 7.4 trips, equaling a total of 152,269,000 domestic trips for that year. On average domestic trips lasted 1.5 days and accounted for

1,359 NTD expenses per person day and trip. The total expenditure of domestic travels in 2011 was 310.3 billion NTD (Taiwan Tourism Bureau, 2011). An overview of this information on domestic tourism in Taiwan in presented in table 2.5 below.

Table 2.5: Overview of domestic tourism in Taiwan in 2011

Proportion of people taking domestic tourist travel	95 %
Average number of trips per person	7.4 trips
Total number of trips	152,268,000 trips
Average number of days per trip	1.5 days
Average expenses per person day on trip	1,359 NTD
Total expenditure of domestic travels	310.3 billion NTD

Source: Adapted from Taiwan Tourism Bureau, 2013c

2.4. Tourism and the economy in Taiwan

2.4.1. Taiwan's changing economy

As part of the fast developing Asia and the Pacific region, Taiwan went through a rapid economic development over the past six decades (CIA, 2013). This development impacted traditional industries, such as the agriculture industry. Since the mid-1960s there was a constant decline in the number of workers engaged in agriculture (COA, 1999), mainly due to increasing use of machinery. Changes in agricultural production also saw greater utilisation of pesticides and fertilisers, which made farming more expensive. At the same time profits from agricultural production did not match increased costs, largely because the government controlled market prices so to ensure the stability of food supply. The average annual income of a farm household in 1998 was about 77 percent of that of non-farmers (COA, 1999). While in 1961 almost 50 percent of the population

worked in agriculture in 1999 it was only 8.3 percent (COA, 1999). Those who stayed in agriculture suffered from low income generated by farming and the comparatively long working hours to other industries. The situation further worsened when Taiwan joined the World Trade Organization in 2002 (Wang, 2010; COA, 2004). Traditional domestic agricultural businesses on the island with local production and marketing were opened up to competitive pressures from abroad. Importantly agricultural globalisation became more intensive, more varieties and especially larger volumes of agricultural goods have been imported from foreign countries. It became increasingly difficult for small independent agricultural businesses to survive and traditional Taiwanese farmers were under severe pressure (COA, 2004). This created the need, especially for farmers, to look for new sources of income. At the turn of the century the challenge was to deal with the changing economy. Here tourism can be a vehicle for economic growth.

2.4.2. Tourism and economic growth in Taiwan

Authors (for example Chen, 2011; Nissan et al., 2011; Chen, 2010b; Wang, 2010; Chen and Chiou-Wei, 2009; Lee and Chien, 2008; Kim et al., 2006) stress the connection between the economy and tourism development. To promote tourism internationally the Taiwanese government introduced several development concepts to reinforce the economy, for example in 2002 with the 'Doubling Tourist Arrivals Plan', which was part of the national development plan 'Challenge 2008' (Lee and Chien, 2008; Kim et al, 2006). The importance of tourism in the economic development of Taiwan is also evident in the "six flagship" plan of the Executive Yuan (Ministry of Economic Affairs, 2009). This six flagship plan was implemented to promote the development of the six key emerging industries. Amongst tourism these are the green energy industry, biotech, health care, high-value-added agriculture, and cultural and creative industries (see table 2.6).

Tourism was funded with 30 billion New Taiwanese Dollar (NTD[5]). The production value was expected at 550 billion NTD as well as an additional 410,000 tourism-related jobs within four years (Ministry of Economic Affairs, 2009; Wang, 2009).

Table 2.6: The six flagship plan

Item	Funding	Production value created	Industries that will benefit
"Green" energy industry	NT$20 billion over 5 years	NT$1 trillion	Mainly the solar cell and LED industries
Biotech industry	NT$60 billion in biotech venture capital funding	Doubling of production value to NT$260 billion within 4 years	Pharmaceuticals and biotech industries
Tourism	NT$30 billion tourism development fund	NT$550 billion within 4 years	Restaurant and hotel industries, etc.
Healthcare	NT$86.4 billion in investment over 4 years	NT$346.4 billion over 4 years	Medical electronics and medical devices industries
High-value-added agriculture	NT$24.2 billion over 4 years	NT$158.9 billion over 4 years	Orchid cultivation, agro-tourism, etc.
Cultural and creative industries	NT$20 billion to establish venture capital funds	NT$1 trillion within 4 years	TV, film, music, handicrafts, design and digital content industries

Source: Ministry of Economic Affairs, 2009

Kim et al. (2006), in a study on tourism expansion and economic development in Taiwan, investigated the causal relationship between these two variables, i.e. if economic development was a driver for tourism or if it was the other way around. They (Kim et al., 2006) found a reciprocal relationship between the tourism expansion and economic development in Taiwan. This suggests that resources should be equally allotted to tourism and other major industries in Taiwan. In this respect the six flagship plan from the Ministry of Economic Affairs in Taiwan (Ministry of Economic Affairs, 2009) indicates that Taiwan's overall economy and economy driven tourism development are heading in the right direction of reciprocal growth.

[5] 1 GBP = 45 NTD

As part of a "domestic tourism development plan" (Taiwan Tourism Bureau, 2013b) in Taiwan the government introduced a number of incentives to boost domestic travelling. For example from 2003 onwards public servants had paid holidays. The "National Travel Card", a kind of credit card for public servants was introduced. Public servants are allowed a certain amount of money, as well as discounts, when they travel at certain times of the year (e.g. low-season), when they travel outside their own county, or when they stay more than one night (Executive Yuan, 2011). In 2011 approximately 600,000 National Travel Cards were issued and the compulsory vacation subsidies amounted to 7.8 billion NTD, 60 percent of which were used through the national travel card in the tourism industry (Taiwan Tourism Bureau, 2013b).

The economic development of the Asia and Pacific region and of Taiwan also means that the Taiwanese people have increasingly more time and money for travelling. The gross income per capita had grown by 80 percent in the period 1992 until 2005 to over 10,000 US Dollar (National Statistics Bureau, 2005). This increase in national income per capita and more leisure time combined creates a great potential for tourism activities (Tourism Bureau, 2003).

In 2011 tourism had a direct contribution to Taiwan's GDP of 239.3 billion NTD, an equivalent of 1.7 percent, and generated 212,500 jobs (WTTC, 2012)

2.5. Tourism and politics in Taiwan

The relationship between tourism and politics is taking an increasingly important role in the hospitality and tourism discourse. Recent contributions to the discourse include issues like "nation branding" (Chen et al., 2012), the influence of political ideology on tourism (Mak, 2013), or the impact of political instability on tourism (Ingram et al., 2013).The past century was full of controversies for Taiwan from

a political perspective (Bates and Bates, 2005). Therefore this section will briefly introduce some political facts about Taiwan. This is followed by considerations if and how the political status of Taiwan may impact tourism activities.

The political development of the Republic of China may be summarised as consisting of four periods (see for example Bates and Bates, 2005):

- The Republic of China on the mainland: 1912 to 1949
- The Republic of China's arrival to Taiwan: 1949 to 1988
- The Republic of China on Taiwan: 1988 to 2000; and
- The Republic of China is Taiwan: 2000 until present

At current there is no common agreement on the political status of Taiwan. The three prominent options (for example Bates and Bates, 2005) are that the Republic of China is the legitimate ruler of Taiwan and mainland China, that Taiwan is an independent country, or that Taiwan is a renegade province of the People's Republic of China. While each of these three options may find justification in one of the many historical facts in the four periods of the Republic of China the author wants to point to three issues that seem to interrelate with the tourism development in Taiwan: (1) Taiwan and the UN, (2) conflict with mainland China, and (3) tourism travel between Taiwan and mainland China.

2.5.1. Taiwan and the UN

The Republic of China was a founding member of the United Nations in 1945 (UN, 2013) and of affiliate organisations such as the United Nations Educational, Scientific and Cultural Organization in 1946 (UNESCO, 2013). As a member of the UN the Republic of China played an important international role. For example it proofed to be a useful ally for the United States, especially during the Korean War (1950-1953) and the Vietnam War (1955-1975) (Bates and Bates, 2005).

However, due to international developments and a growing number of sovereign states that were increasingly in favour of the People's Republic of China (on the mainland) diplomatic recognition of the Republic of China (Taiwan) started to shift towards the People's Republic of China on the mainland. As a result, since October 1971, all of China's seats in the United Nations and membership in the United Nations Security Council, which were held by the Republic of China from 1945 until 1971, are now occupied by the People's Republic of China (UN, 2013). Chinese, one of the official UN languages, changed from the traditional form that is used on Taiwan to the simplified form that is used on the mainland (UN, 2013). Moreover, in 1972, the United States and the People's Republic of China signed the Shanghai Communiqué, acknowledging the One-China policy, stating that Taiwan is part of China and that the 'Taiwan question' was to be an internal problem of the People's Republic of China (UN, 2013). In 1978 the United States officially ended diplomatic relations with the Republic of China (Taiwan) and established relations with the People's Republic of China on the mainland (UN, 2013).

As a consequence the Republic of China has no representative ambassador at the United Nations or any of its affiliate organisations, such as the United Nations Educational, Scientific and Cultural Organization (UNESCO, 2013) or the World Tourism Organization, which was founded in 1974 (WTO, 2013). Many attempts have since been made by the Taiwanese, either as the Republic of China on Taiwan, the Republic of China (Taiwan), or simply as Taiwan, in order to attain membership at the United Nations and to represent the 23 million Taiwanese people. However, all such efforts have been blocked by the veto of the People's Republic of China (UN, 2013).

It is argued that this has a negative impact on tourism development in Taiwan. The exclusion of the Republic of China from the United Nations (UN, 2013) and the non-acceptance of Taiwan as an independent and sovereign state prohibit

that tourist attractions, such as the Chinese Imperial treasures in the National Palace Museum in Taipei, or natural wonders such as the Taroko Gorge in Hualien, can be declared as UNESCO World Heritage sites. This is of disadvantage to the Taiwan tourist economy as studies (for example Yang et al, 2010) show that natural and cultural resources are widely recognised as essential tourism assets for a country. In particular they are considered attractive when they are listed as UNESCO World Heritage Sites (Li et al., 2008). Declared UNESCO world heritage sites are regarded as significant and rapidly growing factors in tourism and are considered as a major driving force for further growth in many developed countries (for example Herbert, 2001; McIntosh and Prentice, 1999). Moreover they can help to develop a national image and produce a national identity (Li et al, 2008), which is an important factor in tourism development (Park, 2009; Nicolescu et al., 2008; Johansson, 2005; Gertner and Kotler, 2004).

2.5.2. Conflict with mainland China

The People's Republic of China continuously threatens Taiwan with its military power. This is evident for example in the Taiwan Strait Crises. The latest, the Third Taiwan Strait Crisis, lasted from 1995 to 1996 (Bates and Bates, 2005). In 2005 the People's Republic of China passed an anti-secession law, threatening the use of non-peaceful means. Article 8 of the law states that:

> *In the event that the "Taiwan independence" secessionist forces should act under any name or by any means to cause the fact of Taiwan's secession from China, or that major incidents entailing Taiwan's secession from China should occur, or that possibilities for a peaceful reunification should be completely exhausted, the state shall employ non-peaceful means and other necessary measures to protect China's sovereignty and territorial integrity.* (Anti-Secession Law, 2005: Article 8)

This anti-secession law forbids Taiwan to use the name 'Taiwan' (Anti-Secession Law, 2005). Taiwan has to refer to itself officially as the "Republic of China (Taiwan)" or "Chinese Taipei", for example at the Olympic Games. This may have negative connotations regarding tourism promotion and identification with the tourism product "Taiwan". Authors (for example Park, 2009; Nicolescu et al., 2008; Johansson, 2005; Gertner and Kotler, 2004; or Pritchard and Morgan, 2001) stress the important role tourism promotion plays in enhancing competitive advantage over other tourist destinations. It is not enough for a destination just to possess outstanding tourism resources. Countries should also have a clear, credible, appealing and distinctive image in a global marketplace (Chen et al., 2012). Travellers rank safety and security as key factors in planning a holiday (Ingram et al., 2013). A lack of safety and security at the destination negatively affects business and leisure travel (Edgell et al., 2007). If actual events cause, or potential events are considered to cause political instability a country then becomes unattractive as a tourist destination (Ingram et al., 2013).

Apart from the promotional issues the ongoing conflict with the People's Republic of China causes, the conflict is also responsible for the constant presence of military on Taiwan. The military presence means that places that might be perceived by 'Westerners' as the best nature tourist spots and viewpoints are often military no-go areas. Although Taiwan is an island with beautiful beaches it is not regarded as a typical 'ocean' state (RDEC, 2006; Yuan Control, 2004). This is due to a martial law that was imposed on Taiwan over four decades ago which led to a long term separation between people and the sea (RDEC, 2006; Yuan Control, 2004).This law highly restricted public access to coastal areas. Since the law was lifted in 1987 the restriction has been relieved and the government has started to take a more liberal and active attitude toward unlocking coastal and maritime resources in order to develop Taiwan into a genuine ocean state (Chen, 2010a).

2.5.3. Tourism travel from mainland China to Taiwan

Although political differences between the Republic of China and the People's Republic of China remain unresolved the two countries have close economic links (CIA, 2013; Chiang, 2012). Because of the geographical proximity, similar culture and language people from mainland China are also potential tourism customers for Taiwan. However, the tensions between the Republic of China and the People's Republic of China made travelling between the two countries cumbersome. In 1987 Taiwan introduced an opportunity for visiting relatives on the mainland through a third country (Chiang, 2012). This was the inception of travel activities between the two countries. In addition, the People's Republic of China's huge population and economic success makes people from mainland China important potential stimulants for Taiwan's tourism industry (Chiang, 2012). The People's Republic of China is the fastest growing tourism source market in the world and the first tourism source market globally in terms of spending (WTO, 2013). Changes in Taiwan's government have resulted in new bilateral agreements between Taiwan and the People's Republic of China. As of 2008 mainland Chinese visitors are allowed on Taiwan (Chiang, 2012). This created a new flow of tourists from China to Taiwan and creates a potential market in catering to tourists from mainland China (Chen, 2010b). Of the 4.3 million international visitors in Taiwan in 2009 1.6 million were mainland Chinese, an increase of 84 percent compared to 2008 (Tourism Bureau, 2011b). Of the 7.3 million international arrivals in Taiwan in 2012 3.5 million were mainland Chinese, equivalent to 48 percent of the total arrivals (Taiwan Tourism Bureau, 2013). However, mainland Chinese still have to face and meet certain limitations and regulations. For example they are only allowed on pre-organised, travel agency booked group travel. Accordingly these tourist-groups from of mainland Chinese often stay in big hotels. This travel restriction coincides with the regulations of the Taiwanese rural hotels (Taiwan Tourism Bureau, 2013b), which have restrictions

on the number of rooms they can have. This makes mainland Chinese less attractive a target group for rural hotels.

Research into the dynamics of cross strait relations, for example Liu (2011), Chen (2010c), or Guo et al. (2006) suggests that, in principal, tourism may avert escalation of the conflict and normalise the political relations between the two states. However, contributors come to the conclusion that, as yet, the tourism development between Taiwan and China is not stable (Chiang, 2012; Chen 2010c) and that any political disagreement between the two may negatively impact tourism growth in Taiwan (Chiang, 2012). Hence, tourism development in Taiwan is, to some extent, dependent on the political relationship between Taiwan and mainland China.

2.6. Discussion

Within the increase of global tourism the Asia and the Pacific region is one of the fastest growing tourism regions (WTO, 2012; UNWTO, 2012). This is also reflected in the statistics on tourism development in Taiwan, both internationally and domestically (WTTC, 2012; Taiwan Tourism Bureau, 2013c). Tourism growth in Taiwan may be explained through wider socio-economic factors. Murphy (1985) for example developed an explanatory model for the evolution of tourism using the three growth factors motivation, ability, and mobility. According to Murphy (1985) changes in those growth factors allow a population to move chronologically through four eras of development, from pre-industrial to industrial to consumer society to future. Murphy's growth factors (Murphy, 1985) can also be used to explain the evolution of tourism on Taiwan. Taiwan managed to evolve under colonial power from a pre-industrial society into an industrial society, with the building of schools and universities, income security and higher income, and ease of transport. The country now still seems to be adapting from an industrial

society to a consumer society, for example through regulations for a shorter work week, the introduction of mass marketing and package tours, and more efficient and faster transport. The Taiwanese have more discretional income that may be used for travelling. The Taiwanese also become increasingly used to the mass consumption of tourism and increasingly perceive vacation as a right and necessity. This boosts domestic tourism on Taiwan as a new form of consumerism.

The economic development and the development of tourism in Taiwan brings new opportunities and challenges for tourism and hospitality stakeholders such as government officials, tourism business owners and managers, and researchers. Rural tourism and customer satisfaction are two topics that have found increasing interest and acceptance in the hospitality and tourism research; rural tourism as an instrument in the transformation of traditional agricultural economies into tourism economies (Chen et al., 2013; Wang et al., 2013; Su, 2011; Hill and Busby, 2002) and customer satisfaction as a crucial concept for the success of businesses (Song et al., 2012; Zehrer, 2009; Ritchie et al., 2008). However, domestic and rural tourism are relatively new phenomena in Taiwan and remain little understood (Wang et al., 2013). The research interest in this study is to contribute to a conceptualisation of rural tourism in Taiwan from a customer service perspective. Breaking down tourism development into its constituent parts, this study will focus on the Taiwanese rural hotel and customer satisfaction therein. It is expected that this will provide a stepping stone for the wider conceptualisation of (rural) tourism development in Taiwan. Accordingly the following two literature chapters will review the literature on rural tourism development, small hospitality businesses and hotels, customer service attributes and customer satisfaction.

CHAPTER 3: RURAL TOURISM, SMALL HOTELS, AND CUSTOMER SERVICE ATTRIBUTES

3.1. Introduction

Rural tourism has become a fast growing component of the hospitality and tourism industry in Taiwan. This is evident through the increase in rural hotels in Taiwan. In order to synthesise the concept of Taiwanese rural tourism and to critically appraise the Taiwanese rural hotel this chapter reviews and analyses the literature on rural tourism, small hotels, and customer service attributes.

Following this introduction section 3.2 on rural tourism first discusses the development and purpose of tourism in rural areas (section 3.2.1) before taking a focus on rural tourism development in Taiwan (section 3.2.2). Because rural hotels are usually located in the small business sector section 3.3 reviews the literature on small businesses in tourism (section 3.3.1). It then takes a focus on small hotels in Taiwan (section 3.3.2). Because little is known about Taiwanese rural hotels, especially from a customer service perspective, the chapter then moves on to a discussion of several customer service attributes in hotels, which may be used for consideration and classification of customer service attributes for Taiwanese rural hotels. The chapter closes with a discussion in section 3.5.

3.2. Rural tourism

3.2.1. The development and purpose of tourism in rural areas

Tourism is one of a range of tools for the improvement of rural areas (for example Chen et al., 2013; Su, 2011; Fleischer and Tchetchik, 2005; Rogerson, 2004;

Williams, 2000; Hall, 2000). In view of its significant contribution to economic growth tourism is recognised as an important area of activity through which broader rural development objectives may be achieved (Su, 2011; Urry, 2002; Pearce and Butler, 1993; Kadt, 1979). Tourism has the potential for socio-economic development and regeneration of rural areas, in particular those affected by the decline of traditional agrarian activities (Chen et al., 2013). Agricultural areas can be used for leisure, recreation and tourism purposes (for example Phillips et al., 2013; Loureiro, 2012, Loureiro and Kastenholz, 2011; Loureiro, 2010; Johnson, 2010). Tourism in rural areas has been used as a strategy for the transformation of farming businesses into tourism businesses (Hill and Busby, 2002; Walford, 2001; Clarke, 1999; Fleischer and Pizam, 1997; Morrison et al., 1996).

Tourism in rural areas is connected to increased wealth of a population and growth of domestic tourism, initiated through government initiatives, for example paid holidays. Germany introduced paid holidays for civil servants as early as 1873 and for white collar workers in 1914 (Knebel, 1960). This was the start of tourism for the middle class who preferred inexpensive accommodation in villages close to the city. Often they stayed in privately let rooms on farms (Loschburg, 1977). Similar trends were observed by Staudacher (1984) through the introduction of alpine clubs throughout the European Alps, notably in Austria and Switzerland, during the middle of the 19th century. Holiday in rural areas also bears a social component. Jeng (1992) for example stresses that the development of tourism into remote rural areas creates opportunities for direct contact and communication between tourists and farmers. In this way the general public can learn about and increase their awareness and knowledge of rural life and agriculture (Hsu, 2005; Knight, 1999).

Tourism in rural areas is a worldwide phenomenon that takes place in developed as well as in developing countries. This is reflected in the hospitality and tourism

literature which provides accounts of tourism in rural areas, for example in China (Wang et al., 2013), Taiwan (Chen et al., 2013), the USA (Phillips et al, 2013), Canada (Johnson, 2010), Portugal (Loureiro and Kastenholz, 2011), many South-eastern European countries like Romania, Bulgaria, Albania and much of the former Yugoslavia (Hall, 2004), South Africa (Pillay and Rogerson, 2013; Rogerson, 2012), or Guyana (Alam, 2012). Germany has a history of 'rural tourism' of over 150 years (Schoppner, 1988; Staudacher, 1984; Loschburg, 1977; Knebel, 1960), and 'rural tourism' has reached places as remote as the Antarctic where, according to Headland (1994), it has a history of more than a century.

The tourism and hospitality literature employs several terms to describe tourism in rural areas. Common terms to describe tourism in rural areas include rural tourism (for example Chen et al., 2013, Wang et al., 2013, Su, 2011; Liu, 2010), agriculture tourism (for example Pillay and Rogerson, 2013; Rogerson, 2012), ecotourism (for example Alam, 2012; Zhang and Lei, 2012; Lu and Stepchenkova, 2012), and leisure farm tourism (for example Chen and Weng, 2012). Definitions given by contributors like Lobo (2011), the University of California Small Farm Program (2013), McGehee and Kim (2004), Chang (2003), Knight (1999), Ohe and Ciani (1998), Lane (1994), or Leones et al. (1994) suggest that a difference between these kinds of tourism in rural areas may be attributed to the degree of involvement in agricultural activities, i.e. no involvement of an accommodation provider in agriculture activities may be referred to as rural tourism, involvement of an accommodation provider in agriculture activities would be referred to as agriculture tourism, an eco-friendly business in a rural area, whether or not providing accommodation, may be referred to as ecotourism business, and a tourism activities provider at a farm that does not provide accommodation may be referred to as a leisure farm business.

The idea behind the concept of agricultural tourism is that many elements from agricultural life can be used for tourism activities (Hall and Rusher, 2002). The processes of production, rural ways of life, rural landscape and open space can all be involved in tourism activities (Hall and Rusher, 2002). The UC Small Farm Program (2013) emphasises that agricultural tourism is a commercial enterprise at a working farm, ranch, or agricultural plant, where visitors generate additional income for an agriculture business. Agriculture tourism may include leisure and hospitality activities that attract visitors to the countryside. Services provided in agriculture tourism typically embrace hospitality services such as farm stays, wine tasting and cooking classes. They also include for educational purposes, such as guided school tours, agricultural technical tours or historical agriculture exhibits. Outdoor recreation activities may include things such as horse riding, fishing and hunting. Harvest festivals and barn dances or other festivals and fairs may also be referred to as agriculture tourism. Agriculture tourism also includes direct on the farm sales, off-site farmers' markets, roadside stands and self-pick operations (UC Small Farm Program, 2013).

It may be argued that agricultural tourism, as the interface of two industries agriculture and tourism, creates the possibility for a win-win scenario and provides a strong position for the government to support its development (Jeng, 1992). Agriculture tourism businesses may also provide more employment opportunities for the next generation in the farmer's family, which may contribute positively to keeping them in the farming business (Hall and Rusher, 2002).

The rhetoric of ecotourism carries with it a sensibility to the environment. Ecotourism or sustainable tourism is a term that has emerged from a change of relationship between the tourism industry and the environment. A dimension in this change is the increase in nature-based and environmentally oriented tourism (Fairweather et al., 2005). In ecotourism it is important what tourists do and how their behaviour impacts the environment and the people in the visited area

(Honey and Steward, 2002). Proponents of ecotourism (for example Fairweather et al., 2005; Hall, 2004) stress that the eco element of tourism, conservation and protection of the environment and people, is an important sustainability factor. It is related to sustainable tourism, triple bottom line reporting (social, economic, and environmental) and/or involves plans and the use of agreed standards to achieve improvements in the environmental performance of an operation, often demonstrated by environmental certifications (Fairweather et al., 2005; Simmons, 1999).

3.2.2. Rural tourism in Taiwan

Tourism in rural areas has been an effective catalyst of rural socio-economic regeneration for over a century in the Western world (He, 2003). The correlation between overall economic development, international tourist arrivals and domestic tourism (for example Sharpley and Roberts, 2004) has also impacted rural tourism development in the Asia and the Pacific region (Wang et al., 2013). Especially over the past three decades rural tourism in Asia has undergone a rapid development and is seen as a catalyst that promotes industrial restructuring, agricultural development and upgrading of rural areas (Wang et al., 2013). There are now several accounts of rural tourism in China (for example Wang et al., 2013; Su, 2011; Jones and Guan, 2011; Chang et al., 2011 and 2010), South Korea (for example Duk-Byeong et al., 2012) and Taiwan (for example Chen et al., 2013; Liu, 2010; Huang, 2008; Tsai, 2007).

In 1998 the China National Tourism Administration introduced the 'Urban and Rural Tourism Year', which was followed by the 'Eco-Tourism Year' in 1999, the 'Chinese Life Tourism Year' in 2004, and the 'China Rural Tourism Year' in 2006 (Wang et al., 2013; Su , 2011). The government introduced several financial incentives and policies to promote the development of tourism in China (Su, 2011). Plans for the development of rural tourism in China predict that by 2015 the China National Tourism Bureau will have created 1,000 tourist towns and

10,000 characteristic tourism villages on mainland China (Wang et al., 2013). Mainland China prepares to serve an expected 771 million rural tourist travellers by the end of 2015, promoting direct employment for 989 million people (Wang et al., 2013).

Also in Taiwan rural tourism has been growing (Chen et al., 2013; Liu, 2010; Huang, 2008; Tsai, 2007). Liu (2010) asserts that rural tourism emerged in Taiwan due to a culmination of factors such as urbanisation, an increasingly affluent population, shifts in consumer patterns, increase in leisure time, and improvement in traffic. The development of rural tourism in Taiwan is also often brought into relation with the decline of traditional agricultural businesses, when Taiwan joined the World Trade Organization in 2002 (for example Huang, 2008; Taiwan Tourism Bureau, 2008; Tsai, 2007; COA, 2004). To alleviate the negative consequences of joining the World Trade Organization in 2002 the Tourism Board of Taiwan developed several strategies to promote rural tourism in Taiwan (Taiwan Tourism Bureau, 2008). These development strategies include plans to develop tourism orchards, leisure farms and leisure agriculture, the one-township-one tourism-area development strategy, plans to combine rural tourism development and community development models, food, beverage services and DIY demonstrations, as well as the development of a hostel model (Tsai, 2007).

Development strategies for rural tourism in Taiwan encompass a wide range of activities, and so does the term "rural tourism". In comparison to Europe, tourism in rural areas in Taiwan is a relatively recent phenomenon. This is probably one of the reasons why different forms of tourism in rural areas in Taiwan cannot yet easily be differentiated amongst or categorised, for example into 'rural tourism', 'agriculture tourism', 'eco-tourism', or 'leisure farm tourism'. Liu (2000, in Liu, 2010:217) for example describes rural tourism in Taiwan as *"any tourist activity in rural areas that is known to be a way of enjoying rural life, enjoying beautiful rural scenery and maintaining rural prosperity and environmental quality"*. Tsai

(2007) notes that rural tourism in Taiwan includes tourism in orchards, farms, and scenic areas, agricultural-activity based tourism, several culture based activities as well as nature-oriented activities. Liu (2010) describes rural tourism as a kind of lifestyle and a critical part of the rural leisure industry. Rural tourism in Taiwan is *"the utilisation and integration of the unique quality and rich resources of the rural environment"* (Liu, 2010:217). Rural tourism is a combination of agriculture activities, rural culture and recreation service, and serves economic, social, educational, environmental, recreational, therapeutic, and cultural purposes (Liu, 2002 and 2010).

These descriptions of 'rural tourism' in Taiwan currently overlap with descriptions of agriculture tourism, leisure agriculture, leisure farm tourism, or eco-tourism (for example Tsai, 2007; Chen, 2010; Ecotourism Society Taiwan, 2011; Taiwan Tourism Bureau, 2013b). The Ecotourism Society in Taiwan (2011), an independent and government funded organisation across the whole of Taiwan, lists activities such as whale watching, bird watching, river tracking, climbing, and nature and culture study under eco-tourism, but these activities do equally fit Tsai (2007) and Liu's (2010) description of rural tourism.

Despite its potential for the development of rural areas, rural tourism in China and Taiwan faces problems of clear rural development policies, a lack of management norms, a lack of market analyses, and a lack of capital input (Tsai, 2007). In addition rural tourism is said to be monotonous, many rural areas are unattractive for tourists because they lack of natural beauty, and many old rural communities are unattractive in appearance (Tsai, 2007). The development of rural areas into rural tourism areas is dependent on the interplay between rural tourism development, environmental protection and industrial development (Liu, 2010; Tsai, 2007). It can be concluded that, despite increasing government and academic interest in rural tourism in mainland China and Taiwan, there remains little understanding about the core issues of rural tourism and there is no unified

approach or authoritative conclusion to its connotations, principles, development models and future directions (Wang et al., 2013).

3.3. Small hotels

3.3.1. Small businesses in tourism

Small businesses are well recognised and acknowledged all over the world for their imminent contribution to economic development, job creation, and the general health and welfare of national and international economies (Blackburn et al., 2013; Department for Business, Innovation and Skills, 2011; Dobbs and Hamilton, 2007; Bridge et al., 2003). Literature accounts over the past few decades show that small businesses are not merely miniature versions of larger businesses (Dobbs and Hamilton, 2007; Morrison and Thomas, 1999; Storey, 1994; Welsh and White, 1981) and that they have different structures, priorities and strategic objectives (Morrison and Conway 2007; Peters and Buhalis, 2004; Page et al, 1999; Storey, 1994). Large businesses often focus their attention on predictable markets and leave more risky items to the small business sector (Dobbs and Hamilton, 2007; Robbins et al., 2000). Small businesses are said to be more innovative than larger businesses (Tonge et al., 2000; Robbins et al., 2000). Small and medium sized enterprises (SMEs) account for 99.9 percent of all enterprises in the UK (Department for Business, Innovation and Skills, 2011) and this is reflected in economies around the world (Blackburn et al., 2013). In the US small businesses have been identified to be accountable for 55 percent of industry innovations and for 95 percent of all 'radical innovations' (Robbins et al., 2000). Small business growth is an important factor regarding employment (Dobbs and Hamilton, 2007) and policy makers around the world strive to identify and support productive and innovative small businesses that generate employment and promote economic growth (Amini, 2004; Audretsch, 2004).

The two discourses, on one hand the general discourse on SMEs and on the other hand the more specific discourse on small hotels, are closely related (Thomas et al., 2011; Thomas, 1998). The hospitality industry worldwide is dominated by small businesses (Peters and Buhalis, 2004; Middleton, 2001; Baum, 1998) and also rural tourism is dominated by small businesses (McKercher and Robbins, 1998). Avcikurt (2003) and Middleton and Hawkins (1998) note that small hotels play an important role in regional development. Small, independent and flexible accommodation establishments dominate the market and make an important economic contribution to gross domestic products and tourism employment in Western countries (Thomas et al., 2011; Bastakis et al., 2004).

Like in the general discourse on SMEs (for example Blackburn et al., 2013; Forsman, 2008; Dobbs and Hamilton, 2007) there is an appreciation in the hospitality and tourism literature that small hospitality businesses are not simply smaller versions of big hospitality businesses, but that they have a character of their own (Peters and Buhalis, 2004; Thomas, 1998; Lowe, 1988) and differ in their business objectives and management style from large hotels or hotel chains (Moriarty et al. 2008). Big chain hotels are often located in central locations and tend to focus on key market groups, such as business travellers and package tourists by means of discounts, loyalty inducements and special rates negotiated with carriers and tour operators (Moriarty et al., 2008). Large hotels often offer standardised architecture and services (Moriarty et al., 2008). Standardisation may have advantages in terms of functionality, efficiency, and quality of service, however, customers may also perceive standardised environments as being sterile and impersonal, and not providing a unique or unforgettable experience (Peters and Buhalis, 2004).

On the other hand smaller accommodations, such as B&B's, are often associated with innovative tourist products and are therefore a promising part of the rural

tourism sector (Chen et al., 2013). B&B's are different to other types of accommodation (Hsieh and Lin, 2010) because they are personal in nature and because they offer a friendly and private atmosphere that entices guests to become acquainted with the local environment (Nuntsu et al., 2004). B&B guests appreciate the combination of local culture, ecology, natural beauty and leisure activities (Wu and Yang, 2010). However, while there seems to be agreement in the literature that a difference between large and small hotels exists (Moriarty et al. 2008; Peters and Buhalis, 2004), it is not always clear what authors mean when they refer to 'small hotels' (Morrison and Thomas, 1999; Thomas, 1998; Lowe, 1988).

A review of the literature on various hospitality settings reveals that there is no agreement on a definition for a small firm in the hospitality industry (for example Thomas et al., 2011; Morrison and Conway, 2007). Defining what a small hotel firm is and discussing the implications of having a widely accepted definition was a topic that was mainly ignored by researchers in hospitality until the late 1990's and contributions from academics in the field were few (Morrison and Conway 2007; Wanhill, 1990). Apart from work from Harrison and Johnson (1992), a UK Hotel Group Directory in 1992, and work from Wanhill in 1990, this is quite a recent scholarly activity (Morrison and Conway 2007). Defining the small hotel is based on the more general discussion on the definition for small firms, where a body of research started to emerge in the 1980's and early 1990's. Getz and Peterson (2004), Getz and Carlsen (2000), Chua et al. (1999) or Thomas (1998) for example suggest that small hospitality businesses encompass B&B establishments, guesthouses, home-stays and tourist homes, country inns, stately homes and mansions, country cottages and cabins, farms, dude ranches, wilderness and nature resorts, motels, house boats, or health farms. Lynch (1994) defines a small hospitality business as an establishment, usually a private home (in the United Kingdom), that provides overnight accommodation and breakfast to members of the public. Evening meals are usually not offered.

A common problem with definitions is that readers, respective to their own research interests and professional bias', find them either too context specific and precise, or too general and all-embracing. For example, O'Regan and Ghobadian (2004) criticize that definitions are often too narrow and can only be applied to a very specific research context. Some authors try to differentiate 'small hotels' by size. Lanier et al. (2000) for example define small hotels as enterprises offering less than 20 rooms. At the same time the World Tourism Organization (2000) refers to small hotels as hotels consisting of less than 50 rooms. Thomas (1998 and 2000) defines a small hospitality business as one that employs less than 50 people. The World Tourism Organization (2000) states that a small hotel is a business with less than ten staff. Other definitions again are oriented towards definitions for small businesses and may use other denominators, such as number of staff or turnover. The Bank of England defines small firms as those businesses with an annual turnover of less than one million GBP (Morrison and Conway, 2007).

There are several possible explanations for the divergences in definitions. Morrison and Teixeira (2004) for example suggest that definitional problems in the hospitality discourse arise from a lack of coordination between public and private organisations. Problems may also be based on the experiential nature of the hospitality products (Morrison and Teixeira, 2004). Bridge et al. (2003) point out that different definitions serve different purposes, for example policy making, taxation, legislation, or research projects. Some definitional questions may have not been adequately answered because of the slow progress in academic research on small firms in tourism (Thomas et al., 2011). However, the consequence is that small business in tourism, although they are generally considered an important part of the tourism system, are as yet relatively under-researched and their understanding remains partial (Thomas et al., 2011).

This fosters the development of assumptions about small businesses that are not empirically based (Thomas et al., 2011). For example, it is questionable if all small hotels are characterised by homogeneity and formality, and if all of them make an equally significant contribution to the local economy (Thomas et al., 2011). Research on small hotels must recognise spatial and sectoral variation; small rural hotels in Taiwan and B&Bs in the UK may both belong to 'tourism' but factors explaining their role, development and behaviour will be marked by difference more than similarity (Thomas et al., 2011). Accordingly, in order to synthesise the concept of rural tourism in Taiwan, it is important to critically appraise the small hotel in a Taiwanese context and to consider and classify customer service attributes for Taiwanese rural hotels.

3.3.2. Small hotels in Taiwan

The requirement to hospitality and tourism scholars to recognise spatial and sectoral differences in small businesses (Thomas et al., 2011) and to critically appraise the small hotel in a Taiwanese context presents a challenge for this study as the existent literature on small hotels in Taiwan is relatively small. None of the few academic contributions (for example Chen et al., 2013; Liu, 2010; Wu and Yang, 2010; or Tsai, 2007) take a particular focus on the nature and characteristics of the Taiwanese rural hotel, although Hu et al. (2012) make an interesting contribution on Taiwanese homestays. Information provided by the Taiwanese Tourism Bureau is mostly bureaucratic or informational. This is surprising because Taiwan's tourist economy has been growing very rapidly (UNWTO, 2012; WTTC, 2012) and along with the development of the domestic tourism sector rural tourism has been growing. According to the Taiwanese Tourism Bureau (2013b) small hotels in rural areas have become a fast growing component of the hospitality and tourism industry in Taiwan.

To cope with the increase in rural hotels the Taiwanese Bureau for Hospitality and Tourism set out a regulation for rural hotels in Taiwan in December 2002.

This new regulation had to effect that existing rural hotels were classified into either legal or illegal rural hotels. In February 2003 there were a total of 65 legal rural hotels in Taiwan. The number of hotels that did not meet the legal requirements was much greater, with 535 illegal rural hotels in February 2003 (Tourism Bureau, 2003). Since 2003 the number of rural hotels in Taiwan has been growing and many of the illegal rural hotels meet the regulations. By 2008 the number of rural hotels had grown to 2,582 (Taiwan Tourism Bureau, 2008) and 3407 rural hotels in 2012 (Taiwan Tourism Bureau, 2013b).

Rural hotels exist across the whole island and the majority of rural hotels are spread around the scenic areas of the three counties Hualien, Nantow, and Ilan (Taiwan Tourism Bureau, 2013b). Rural tourism in Taiwan is concentrated on those three counties, partly because of the natural beauty of these areas, and partly because respective farmer associations have promoted the development of the rural hotel product in these areas (Liu, 2010; or Tsai, 2007). Hualien had an increase of rural hotels from only four rural hotels in 2002, to 661 in 2008, and 805 in 2012. Accordingly Hualien is the county with the most rural hotels in Taiwan. This is followed by Ilan, which had 21 rural hotels in 2003, 299 rural hotels in 2008, and 593 rural hotels in 2012. Nantow, in central Taiwan, had 21 rural hotels in 2003, 421 in 2008, and 478 rural hotels in 2012 (Taiwan Tourism Bureau, 2013b). Table 3.1 below provides an overview of this data.

Table 3.1: Overview of B&Bs in top counties in Taiwan

Location / Year	02/2003	02/2008	02/2012
Hualien	4	661	805
Ilan	21	299	593
Nantow	21	421	478
Taiwan	65	2353	3407

Source: Adapted from Taiwan Tourism Bureau, 2013b

The Taiwanese government responded to the growth in number of rural hotels through the introduction of a regulation in 2002 (Tourism Bureau, 2003). The regulation is mostly bureaucratic and regulates things such as application, licensing, and registration, and several health and safety issues. It includes a spatial regulation in that rural hotels shall be limited to scenic spots, tourist sites, national parks, aboriginal reservations, remote areas and offshore islands, recreational agriculture farms, nature villages and non-urban land (Tourism Bureau, 2003). The size of the establishment should, in principle, not exceed five guest rooms and a total floor area of 150 square meters. Rural hotels in certain areas, such as aboriginal areas, may be exempt from this regulation and are allowed an operating scale of 15 guest rooms and a total floor area of not more than 200 square meters. In regard of basic service criteria rural hotels shall have adequate ventilation and sufficient sunlight in each guest- and bath room. Hot and cold water and sanitation equipment shall be provided. The equipment and environment of the rural hotel should be clean and tidy and comply with pest control (Tourism Bureau, 2003).

Article 3 of the regulations (Tourism Bureau, 2003) describes a rural hotel as *"a lodging facility run as a family sideline business, using the spare rooms of a self-used residence to provide tourists with a rural living experience. Such lodging facilities usually incorporate local culture, natural landscape, ecological environment, environmental resources, and agricultural, forestry, fishery, or livestock farming activities."*

However, the regulations do not go into any more detail in regard to customer service attributes. From a service perspective this is critical as the drastic increase in rural hotels is not accompanied by any guidance or standard of what services should be provided and at what quality level. Taking into consideration the role that rural tourism can play in the transformation of agriculture economies into tourist economies (Wang et al., 2013) this would be important. Many of the

former agriculture workforces are now expected to be tourist service providers. Without a clear conceptualisation of the Taiwanese rural hotel and without guidance and support how to run a rural hotel it is questionable how these rural tourism entrepreneurs, who are often farmers with a low educational level or with another profession in accumulation (Loureiro and Gonzalez, 2008), can contribute to the development of rural tourism into a sustainable economic element in Taiwan.

3.4. Customer service attributes in hotels

Customer service attributes have been used to conceive and circumscribe the nature of businesses and to measure service quality and customer satisfaction. Models like Parasuraman et al's (1985) famous SERVQUAL, originally developed for the financial services sector, have been applied to various sectors. Numerous individual customer service attributes have emerged from the literature, some of which find universal acceptance across industries and different kinds of businesses. However, it has been argued that services in the hospitality accommodation sector are different in nature to services in other industries (Briggs et al, 2007). Similarly, small rural hotels are different to big chain hotels (Lovelock, 1991; Booms and Bitner, 1981; Sasser et al., 1978). Accommodations in the small and rural hotel sector are often known for their friendly and intimate surroundings, where a visitor is welcomed into the home of the host (Jones and Guan, 2011). Small hotels are associated with characteristics such as flexibility, direct control of service delivery, personalised and tailor-made service, entrepreneurial activity and strong local character (Peters and Buhalis, 2004).

Tourists are attracted to rural areas not just by their climate, natural features and landscape qualities (Zairi, 1996) but by the rural life-style experience and its associated 'special' attributes (Briggs et al., 2007). History shows that success or

failure of tourism and hospitality businesses is closely connected to the (in)ability of service providers to identify and address the main wants and needs of their customer base (Atkinson, 1988). Accordingly it is important for business providers to identify those 'special' characteristics that apply to their particular business setting (Peters and Buhalis, 2004).

The following paragraphs present a discussion of various (recent) contributions to the discourse. Table 3.2 provides an overview of studies in hospitality and tourism and shows the broad range of customer service attributes that are used in hospitality and tourism, how they were identified by authors, and in which context they were subsequently used. The limited literature on customer service attributes in Taiwanese rural hotels requires looking into studies that investigated customer service attributes in hospitality and tourism in other contexts. However, where possible, it was aimed to retain a Taiwanese focus. Table 3.2 includes eight studies from Taiwan, one from mainland China, four from the US, two from Europe, one from New Zealand, and one multi-country study. The location of one study is unknown (Yuksel and Rimmington, 1998).

Chen et al. (2013) studied marketing strategies for the bed and breakfast industry in rural tourism in Maoli County, Taiwan. After an initial literature review they interviewed eight customers who had previously stayed in B&B accommodations, asking them 22 questions about their motivations for staying at a B&B. Answers were grouped into 22 'items' and assessed by two of their University colleagues; measurement reliability was evaluated using Cronbach's alpha. The 22 motivation items were then grouped into five factors using factor analysis. Out of the five factors 'socialisation and learning', 'relaxation', 'accessibility', 'novelty', and 'physical utility' the factor 'relaxation' had the highest mean score, meaning that the relaxation attributes were amongst the most important motivation attributes. Ten individual items, or service attributes, had a mean score equalling or above four (on a five point Likert scale); these were: 'beautiful scenery', 'far

away from city', 'feeling of a home away from home', 'reduction of stress', 'comfort and simple atmosphere', 'recalling childhood memories', 'meeting new friends', 'obtaining natural knowledge', 'interaction with B&B host', and 'enjoying different life experiences'. Hu et al. (2012) evaluated the performance of homestays in one county in Taiwan. They (Hu et al., 2012) identified 30 criteria and categorised them into five aspects (building; service quality; homestay facilities; operation and management; homestay geist and community co-prosperity). The individual attributes are included in table 3.2 below. Applying their attributes to two homestays in one county in Taiwan, with a research population of 80 guests, they found differences in the top and bottom five rankings between the two homestays. Yang et al. (2011a), for their study on service quality and customer satisfaction, conducted a literature review to identify 24 'service items' and 'quality attributes'. They applied these attributes to a random sample of 234 customers at one business and one resort hotel in Taiwan. Using Importance-Performance Analysis they found two "must be" attributes, namely to provide breakfast for guests and to provide toothbrush and toothpaste. Among the contributions from Taiwan are Wu and Yang (2010), who identified 25 attributes for a study on customers' revisiting desires to B&Bs. Their 25 attributes (a full list of the attributes is included in table 3.2 below) are categorized into five constructs hardware, software, environment, management, and emotion. Using the Kano model (1984) they (Wu and Yang, 2010) found four must-be qualities (to provide breakfast; legally registered enterprise; speedy service; and good anticipation of customers' needs and showing concern for customers). Hsieh et al. (2008) conducted a literature review that was oriented on SERVQUAL (Parasuraman et al., 1988) and used 23 attributes and five dimensions to measure service quality in hot spring hotels in Taiwan. Tsai (2007), in a literature review and interviews with owners of rural tourism enterprises, found that food and beverage services as well as DIY demonstrations are important attributes of rural tourism enterprises in Taiwan. Using content analysis Su and Sun (2007) identified 12 criteria of service quality in Taiwanese hotels. These are operator, reservation, front desk,

internet, baggage, guest room, housekeeping, room service, restaurant service, dining quality, fitness center, and staff training.

In mainland China, which is a potential source of rural hotel customers for Taiwan, Li et al. (2012) used content analysis of 42,886 online reviews of 774 star-rated luxury and budget hotels in Beijing, China in order to investigate determinants of customer satisfaction. In their study, which appears to be the most extensive study of its kind in Asia, they developed a Java program for data collection and adopted ICTCLAS, a tool for Chinese word segmentation, term reduction and word frequency statistics. They identified 15 factors and six categories. 'Factors of room', transportation convenience', convenience to tourist destinations' and 'value for money' were most important for attracting mass customers; 'parking', 'air conditioning', and 'TV' were the least important attributes in that respect. Li et al. (2012) also found consensus among customers of business and resort hotels on most factors.

The above examples provide insight into customer service attributes in a Taiwanese and Chinese context. However, the focus of those studies was not primarily on rural settings. It included B&Bs in urban and non-urban areas (Chen et al., 2013), hot spring hotels in Taiwan (Deng, 2008; Hsieh et al., 2008), leisure farms in Taiwan (Tsai, 2007), business and resort hotels in Taiwan (Yang et al., 2011), start rated 'tourist hotels' in Taiwan (Su and Sun, 2007), and star rated luxury and budget hotels in mainland China (Li et al., 2012). Turning to non-Asian literature allows focusing stronger on customer service attributes in a rural context. Loureiro (2012) and Loureiro and Gonzalez (2008) for example conducted studies on the foundation, quality and experience of tourism and with a customer satisfaction perspective in rural areas in Spain and Portugal. Based on a literature review they identified 22 customer service attributes and, oriented towards Parasuraman et al's (1988) SERVQUAL model, six dimensions for rural hotels.

Turning to the general hospitality and tourism literature also allows identifying possible generic customer service attributes and looking into various aspects of customer service attribute identification. For example, one of the few contributions on B&B guest characteristics is the classic study by Zane (1997), who studied 1,393 B&Bs across the United States and identified the top ten B&B qualities. Of the most important attributes cited for choosing a B&B only 'bath' and 'bed size' related to the facility. All other attributes were related to service or ambience: 'easy to be private', 'quiet atmosphere', innkeeper tells of sights and restaurants', 'innkeeper goes out of the way to make guests comfortable', 'personal attention', innkeeper creates a homelike atmosphere', 'reputation for good food', and 'a written guide to the area's attractions and restaurant is provided'. The least required attributes were 'Jacuzzis', 'no children policy', 'luxurious atmosphere', 'organised social hour', and 'easy way to meet other guests' (Zane, 1997). Yuksel and Rimmington (1998) make an interesting contribution on six different measurement methods for customer satisfaction, using 12 attributes. However, unfortunately they (Yuksel and Rimmington, 1998) do not provide information what these attributes are, nor in which country the study was conducted.

Table 3.2: Overview of customer service attributes

Author	Customer service attribute	Method	Context
Chen et al. (2013)	22 motivation items, five factors Socialisation and learning: meeting new friends, obtaining natural knowledge, recalling childhood memories, learning local culture, interaction with the B&B host, feeling of a home away from home	Literature review & eight interviews with B&B customers; factor analysis	Motivation for choosing a B&B, marketing; B&B, Maoli County, Taiwan

	Relaxation: a better choice to enjoy local activities, far away from the city, beautiful surrounding scenery, reduction of stress, enjoy different life experiences, comfort and simple atmosphere Accessibility: fame of the B&B operation, convenient transportation, affordable pricing, positive image, meet the trip arrangement Novelty: specific local cuisine, less noise and crowds, unique accommodations experience Physical utility: close to scenic area, specific architecture		
Ramanathan and Ramanathan (2013)	Seven performance variables Cleanliness, room quality, family friendliness, customer service, value for money	Unknown	Impact of resource capability on customer loyalty; hotels, UK
Torres and Kline (2013)	27 codes, seven factors Organizational culture: culture permeates desire to delight, establishment of a comfortable atmosphere (not physical) Personal characteristics of employees:	Content analysis	Four star/diamond hotels, USA

	exceptional courtesy, exceptional friendliness, ability to develop positive relations with guests, creativity at delivering service, attention to detail, resourcefulness, problem solving skills Employees properly trained and efficient: professionalism of staff, competence of staff, efficiency of staff Expectations role: customer was pleasantly surprised, expectations where exceeded, service superior to that of competitors, employee goes outside the call of duty, establishment of a pleasurable/ memorable experience Personalised service: use the guest name Fulfilment of needs: staff takes care of the guest's needs, staff is able to anticipate needs Product mix of the hotel (physical attributes & product component): excellent guest room, great lobby facilities, superior pool and/or entertainment facilities, overall superior facilities, exceptional food and beverage		

Hu et al. (2012)	30 criteria, five aspects Surroundings of the buildings and features: to utilise natural ventilation sufficiently; to utilise plenty natural light; to use non-toxic paint; to maintain the land's vitality and good condition in the process of design and construction; to incorporate the local heritage and landscape elements into design; the beautification and uniqueness of the interior design; greenisation and uniqueness of the garden design Service quality: service attitude (e.g. reception service; to treat lodgers with voice of the customers); pick-up service; information service (e.g. local hot spot, tour route planning); catering service and quality (e.g. the hosts prepare diversified breakfast in person, freshness of ingredients) Homestay facilities: cooking facilities; parking space; safety facilities (e.g. emergency lighting setting, fire prevention setting); medical aid; room settings	literature review, interviews	homestay performance; two homestays in one county; Taiwan

	Homestay operation and management: room tidiness; room cosiness; room privacy; safety (e.g. lodger insurance and room safety); room themes and features; homestay features (e.g. aboriginal culture); overall ambience forming; overall tidiness and hygiene Homestay Geist and community co-prosperity: degree of interaction between hosts and lodgers; guiding services; arranging local experiential activities and food; contribution for living quality of local community; initiating preserving actions toward local resources; promoting and preserving local cultural resources		
Li et al. (2012)	15 factors, six categories Logistics: transportation convenience, convenience to tourist destinations Facilities: room, air conditioning, network, TV, sound insulation Reception services: luggage, check in/out, morning call, lobby Food and beverage management: breakfast,	Content analysis of 42,886 online reviews of 774 star-rated luxury and budget hotels in China	Identifying determinants of customer satisfaction in Beijing, China

	lunch, dinner, room service Cleanliness and maintenance: room cleaning, bathroom, bedding replacement, bed Value for money: value for money		
Loureiro (2012); Loureiro and Gonzalez (2008)	22 items, six dimensions Professionalism: good food, employee appearance, cordial and affable to clients, personalised attention Reservation: flexible arrival times, easy reservation, booking confirmation and pre-arrival information Tangibility: facilities, furniture, temperature, cleanliness Complementary benefits: decoration follows local tradition, easy access, parking Rural and cultural environment: client integration into rural lifestyle; local food; access to cultural, recreational and/or sports activities is facilitated; local festivities nearby Basic benefits: well trained employees, regional style	Literature review, partly based on SERVQUAL	Rural hotels in Portugal & Spain

	architecture, beautiful location, calm location		
Han et al. (2011)	Ten items, two dimensions Core service performance: overall cleanliness and comfortableness of rooms and accommodations, efficient check in/out, reliable reservation system, accuracy/availability of service, high quality of facilities and décor/atmosphere Service encounter performance: mutual understanding, provision of extra attention, perceived authenticity in the interaction, service provider competence, meeting customer expectations	Literature review	Switching barriers in the hotel industry; 40 upper-midscale urban hotels, USA
Magnini et al. (2011)	11 variables Customer service, cleanliness, location of hotel, value, facility (other than guestroom), size of guestroom, décor of guestroom, renovation/newness, food, amenities, quietness of hotel	Content analysis of 743 travel blogs	Customer delight; travel blog analysis; 60 countries
Yang et al. (2011a)	24 attributes and service items	Literature review	Service quality and customer satisfaction; business and

	Safety of facilities, service attitude of staff, cleanliness and comfortable rooms, Internet access, reservation service, breakfast, toothbrush and toothpaste, reasonable room rate, hot drinking water, free transportation service from/to the airport/station, free bottled water on daily basis, free domestic call service, complete tourist information and booklet, daily newspapers or magazine, laundry service, swimming pool facility, gym centre facility, in-room international direct dialling, safe, car rental service, city tour service, tea bags, coffee packs, fruit basket in room upon arrival, free beverage/ cocktails coupon for guests		resort hotels; Taiwan
Wu and Yang (2010)	25 items, five constructs Hardware (facilities): SPA facilities; high quality entertainment equipment; computers and internet access; private space; hot spring Software (service): shuttle bus; third party discounts; provision of lunch or dinner; provision of ordering service for local souvenirs and	literature review, questionnaire	B&B customers' revisiting desires; Taiwan

	produce; local culture, ecology and environment activities; provision of breakfast; Environment: presence of natural scenery and views; near to scenic spots; building design incorporated into surrounding environment; building theme Management: internet reservation; credit card payment; informative website; highly recommended by public media; legally registered enterprise; affordable prices Emotion: good anticipation of customers' needs and concern for customers; speedy service; special holiday activities; homelike feeling		
Chi and Qu (2009)	33 customer service attributes, seven domains Dining: quality of food, service, variety of cuisine, convenience, price Lodging: uniqueness, variety, service, historic interests, quality, price Accessibility: local transportation, local parking, travel	Literature review, interviews, focus group, factor analysis	Tourist attribute satisfaction and overall satisfaction; USA

	information, welcome centre, ease of access Activities & Events: events and festivals, healing options, outdoor recreation, evening entertainment, price Attractions: historic sites, natural attractions, cultural options, price Environment: atmosphere, cleanliness, people, safety and security Shopping: quality, price, variety, service		
Deng (2008)	20 customer service attributes, three dimensions Tangibility: physical facilities are visually appealing, multiple hot spring facilities, availability of adequate fire and first aids facilities and instructions, cleanness of hot spring facilities, convenient hotel location Reliability and assurance: provision of services as promised, dependability in handling customers' service problem, reasonable price, prompt reply to customers, perform service right at the first time	Literature review	Fuzzy IPA for determining critical service attributes; hot spring hotels; Taiwan

	Responsibility and empathy: personal warm care given by staff, have customers' best interest at heart, easy to get staff's attention & help, readiness to respond to customer's requests, knowledgeable to answer customers' request, courtesy and friendliness of staff, individual attention for customer, understand the specific needs of customers, provision of safe environment and equipment		
Hsieh et al. (2008)	23 attributes, five dimensions Tangible: hardware facilities; the convenience of parking; the style of the interior decorations; location; lot sizes; food and beverages service; additional facilities and activities provided by the hotel Reliability: sanitary hot spring environment; water quality; safety and privacy; specialized skill of services personnel; instant service; hotel image Responsiveness: quick problem solving abilities by the service personnel;	Literature review, SERVQUAL	Service quality measurement, hot spring hotels; Northern Taiwan

	courteous attitude by the service personnel Assurance: price level; satisfy the demands of customers; convenience of reservation procedure Empathy: special promotions; opening hours; parenting bath pool, convenience traffic route/shuttle bus; tourism route suggestion		
Su and Sun (2007)	12 hotel service quality raters Operator, reservation, front desk, internet, baggage, guest room, housekeeping, room service, restaurant service, dining quality, fitness center, staff training	Content analysis	Service quality, hotel rating system, Taiwan
Tsai (2007)	Two attributes Food and beverage services, DIY demonstrations	Government documents, literature review, interviews with owners of rural tourism enterprises	Leisure farms, Taiwan
Kandampully and Suhartanto (2003)	Four attributes Reception, food and beverage, housekeeping, price	Literature review	The role of customer satisfaction in gaining customer loyalty; survey, five chain hotels, 106 guests,

			Christchurch, New Zealand
Yuksel and Rimmington (1998)	12 attributes (no information on attributes)	literature review, pilot test with 30 customers	customer satisfaction measurement in the food industry in one chain restaurant (location unknown)
Zane (1997)	Ten attributes Private bath, easy to be private, quiet atmosphere, innkeeper tells of sights and restaurants, innkeeper goes out of the way to make guests comfortable, personal attention, innkeeper creates a homelike atmosphere, reputation for good food, choice of bed size, a written guide to the area's attractions, restaurants are provided	Survey	1,393 B&Bs, USA

Source: Own extrapolation

The above overview of customer service attributes in hotels shows the varied application of customer service attributes in the literature, a high number of different attributes, different categorisation of attributes, and different methods for identifying customer service attributes. While for example Chen et al. (2013) identified 22 customer service attributes and organised them into five factors Tsai (2007) only identified two attributes. The number of attributes presented in this review of the hotel literature ranges from two attributes (Tsai, 2007) to 33

attributes (Chi and Qu, 2009). Authors have employed various methods for identifying customer service attributes, including literature review (for example Chen et al., 2013; Loureiro, 2012; Loureiro and Gonzalez, 2008), content analysis (for example Torres and Kline, 2013; Li et al., 2012), applied content analysis, interviews (Chen et al., 2013; Chi and Qu, 2009; Tsai, 2007), focus groups (Chi and Qu, 2009), or survey (Zane, 1997). Some authors (for example Ramanathan and Ramanathan, 2013) do not include information about how service attributes were identified.

The fact that little is known about Taiwanese rural hotels, in particular from a customer satisfaction perspective, creates the need to critically assess the wider literature on customer service attributes in hotels. This study contends that identifying customer service attributes from the literature presents a prerequisite for an empirical investigation of Taiwanese rural hotels. It provides a pool of customer service attributes that may be empirically tested for their applicability in the Taiwanese rural hotel context, for example through interviews with stakeholders, such as experts, rural hotel owners and rural hotel customers.

3.5. Discussion

In the Asia and the Pacific region rural tourism has undergone a rapid development over the past three decades and is generally seen as a catalyst that promotes economic development, through industrial restructuring, agricultural development and upgrading of rural areas (Wang et al., 2013). Despite the increasing interest in rural tourism, by both government and academic institutions, the core issues of rural tourism in Taiwan, and also in its neighbouring mainland China, remain little understood. At current there is no unified approach or authoritative conclusion to its connotations, principles, development and future (Wang et al., 2013).

Several contributors point out the important role of small businesses in economic restructuring, economic development and job creation (e.g. Blackburn et al., 2013; Department for Business, Innovation and Skills, 2011; Thomas et al., 2011) and suggest that wider conceptualisations, such as the development of rural tourism, can be achieved by understanding its inherent elements, such as the small businesses that operate within the sector. Because the discourses on SMEs on one hand and small hotels on the other hand are closely related (Thomas, 1998) Thomas et al. (2011) suggest that understanding small hospitality businesses, such as the rural hotel (in Taiwan), can provide a stepping stone in the wider conceptualisation of rural tourism (in Taiwan). Accordingly, critically appraising the small hotel in Taiwan may be seen as a prerequisite for synthesising the concept of rural tourism in Taiwan. However, as the review in this chapter shows, this is not a straight-forward task. There are several persistent issues in the conceptualisation of small businesses themselves, and small hotels therein. These concern semantic issues, such as definition of a small hotel by size, number of employees, or turnover. As a result small businesses in tourism, although they are considered to play an important role in the tourism system, remain little understood (Thomas et al., 2011).

There is no universally applicable definition for small hotels or small rural hotels. However, there is agreement that definitions should come out of a critical assessment and consideration of a particular context. When this is not possible through the literature, as is the case with the Taiwanese rural hotel, an empirical investigation is required. Regarding customer satisfaction, a conceptualisation of the Taiwanese rural hotel may be accomplished through the identification of customer service attributes. Literature shows that this may be done on the basis of understanding customer service attributes in other contexts first, such as literature review (for example Chen et al., 2013; Yang et al., 2011a; Deng, 2008; Hsieh et al., 2008) and content analysis (Li et al., 2012; Magnini et al., 2011; Su and Sun, 2007), and subsequent qualitative (Chen et al., 2013; Chi and Qu, 2009;

Tsai, 2007) or quantitative methods (Deng, 2008; Zane 1997). Attributes may then be tested by quantitative means, for example using a questionnaire or survey (Yang et al., 2011a; Han et al, 2011), and 'merged' into factors using factor analysis (for example Chen et al., 2013; Chi and Qu, 2009). Customer service attributes that come out of such empirical investigation can then be employed to measure customer satisfaction in specific contexts.

The next chapter will be on customer satisfaction and its measurement in the tourism and hospitality industry.

CHAPTER 4: CUSTOMER SATISFACTION MEASUREMENT

4.1. Introduction

Customer satisfaction is an important aspect in any business (Hu et al., 2009). It is one of the primary goals of tourism and hospitality businesses and has become a frequent application around the world (Chung and Petrick, 2012). However despite the importance of customer satisfaction and its wide application no customer satisfaction measurement study has been conducted in Taiwanese rural hotels. How customer satisfaction may be measured in the Taiwanese rural hotel context will be discussed in this chapter.

Following this introduction the chapter sets out with a brief overview of customer satisfaction. It discusses the role of customer satisfaction in relation to business success (section 4.2.1), behavioural intentions (section 4.2.2), and different conceptualisations of customer satisfaction (section 4.2.3). The chapter then moves on to approaches to customer satisfaction measurement. It introduces four methods that appear to be the most commonly employed customer satisfaction measurement methods in the hospitality and tourism industry (for example O'Leary, S. and Deegan, 2010; Shie and Wu, 2009; Fuchs and Weiermair, 2003): the Expectancy Disconfirmation Paradigm (EDP) in section 4.3, the Perceived Performance Only Analysis (PPO) in section 4.4, the Importance Performance Analysis (IPA) in section 4.5, and the Revised Importance Performance Analysis (RIPA) in section 4.6. The chapter closes with a discussion in section 4.7.

4.2. Customer satisfaction

4.2.1. The role of customer satisfaction in business success

Many authors, for example Song et al., (2012), Zehrer (2009), Ritchie et al. (2008), Deng et al. (2008), Matzler et al. (2003), Reisinger and Turner (2003), Baker and Crompton (2000), Kozak and Rimmington (2000), Pizam and Ellis (1999), and Vavra (1997), stress the importance of customer satisfaction. Zehrer (2009) and Ritchie et al. (2008), or earlier Enz (2001), Gerson (1999), or Cronin and Taylor (1992), suggest that customer satisfaction is a crucial concept for the success of enterprises. Customer satisfaction is also considered to play an important role in the survival and success of hospitality services (Chung and Petrick, 2012; Hu et al., 2009; Gursoy et al., 2003; Enz, 2001; Cronin and Taylor, 1992).

Gaining knowledge about the satisfaction level of customers and being able to apply that knowledge in redesign and improvements of a service potentially gives the manager of a hospitality business a competitive advantage via benefits such as increased customer retention and positive word of mouth (Chung and Petrick, 2012; Yuksel and Yuksel, 2001b). Feedback directly from customers can point to areas where customers are dissatisfied (Reisinger and Turner, 2003; Baker and Crompton, 2000; Kozak, 2000). Therefore accurate measurement of customer satisfaction is inevitable for hospitality and tourism businesses. The collection of reliable customer feedback through an adequate and appropriate assessment framework presents a prerequisite for developing effective management strategies (Chung and Petrick, 2012).

Research on customer satisfaction goes back to at least the early 1960s (for example Zehrer et al., 2011; Ekinci, 2004), and reports from the Outdoor Recreation Resources Review of 1962 (Baker and Crompton, 2000; Manning, 1986). Researchers with various backgrounds, such as social psychology, marketing research, or students of consumer behaviour have extensively studied

the concepts of customer satisfaction (for example Neal and Gursoy, 2008; Sim et al., 2006; Williams and Buswell, 2003). Customer satisfaction has been named the leading criterion for determining the quality that is delivered to a customer through a product or service (Zehrer, 2009; Vavra, 1997). Already in 1989 Yi (1990), reflecting on the relevant literature from the 1960s, 70s and 80s, came to the conclusion that consumer satisfaction is a central concept in marketing thought and practice. Delivering satisfaction was thought to improve overall quality of life and thus to be crucial in meeting various needs of consumers, businesses, and the society as a whole (Yi, 1990). Yi (1990), in a review on the history of customer satisfaction, notes that customer satisfaction may be associated with different elements of a service: a product (Churchill and Surprenant, 1982; Oliver and Linda, 1981; Swan and Trawick, 1981; Westbrook 1980), a consumption experience (Fisk and Young, 1985; Bearden and Teel, 1983; Westbrook and Reilly, 1983; Oliver, 1981 and 1980; LaTour and Peat, 1979; Woodruff et al., 1983), a purchase decision experience (Kourilsky and Murray, 1981; Westbrook and Newman, 1978; Westbrook et al., 1978), a salesperson (Swan and Oliver, 1985), a store (Oliver, 1981), an attribute (Bettman, 1974), or a pre-purchase experience (Westbrook, 1977).

Kozak and Rimmington (2000) note that articles related to customer satisfaction in tourism, travel, hospitality, and recreation are increasingly focusing on specific aspects of a service experience. Authors have focused on issues such as satisfaction with tour guides (Reisinger and Waryszak, 1995), cultural tours (Hughes, 1991), packaged and non-packaged tours (Hsieh et al, 1994), the operation of travel agencies (LeBlanc, 1992), guest satisfaction with hotels (Sim et al, 2006; Saleh and Ryan, 1992), customer retention (Sim et al, 2006; Skogland and Siguaw, 2004), brand loyalty (Back and Parks, 2003), the impact of technology on the quality-value-loyalty chain (Parasuraman and Grewal, 2000), the impact of gender difference on satisfaction (Bendall-Lyon and Powers, 2002)

customer satisfaction with restaurants (Yuksel and Yuksel, 2003), or the role of food service in tourist satisfaction (Nield et al, 2000).

It is commonly agreed amongst researchers and practitioners that gaining understanding of customer satisfaction is important because it presents service providers with invaluable feedback about the services they offer. Measuring customer satisfaction can help identifying strengths and weaknesses that cause (dis)satisfaction with the offered service in current, returning and future customers (Wu, 2009; Deng et al., 2008; Reisinger and Turner, 2003; Baker and Crompton, 2000; Kozak, 2000). High quality service and increasing customer satisfaction are widely recognised as important factors in the service industry, leading to success of hotels and other businesses in the tourism industries (Wu, 2009; Choi and Chu, 2001). A perception that is as true today (for example Zehrer et al., 2011) and manifest in the multitude of research efforts coming forth in the hospitality and tourism industry, both internationally and in Asia (for example Song et al., 2012; Murdy and Pike, 2011; Ziegler et al., 2011; Edwards et al., 2010; Wu, 2009).

4.2.2. Behavioural intentions

Authors have studied behavioural intentions of customers, i.e. the impact of customer (dis)satisfaction on purchase repetition, loyalty, and word-of-mouth communication (for example Song et al., 2012; Hutchinson et al., 2010; Chen and Chen, 2010; Ritchie et al., 2008; Cronin and Taylor, 1992; Parasuraman et al., 1991a, Parasuraman et al., 1991b). Significant links exist between customer satisfaction and retention (for example Chen and Chen, 2010; Hutchinson et al., 2010; Ritchie et al., 2008; Sim et al., 2006; Choi and Chu, 2001; Bolton, 1998; Cronin and Taylor, 1992). In respect to purchase repetition for instance Naumann (1995) found that it costs about five times as much in time, money and resources to attract a new customer as it does to retain an existing customer. Sim et al. (2006) have noted this to be even higher, namely that soliciting new customers

costs about seven times as much as retaining existing customers. Furthermore Vavra (1997) found that 90 percent of customers do not even take the effort to complain to a service provider and simply go to a competitor.

Another example is British Airways who found that every Great British Pound spent on customer satisfaction and recovery effort generates two pounds of additional revenue (Donovan and Samler, 1994). Likewise Stevens et al. (1995) report that while it costs about U$10 in advertising, public relations, price incentives and other promotions to get a new customer, the cost to keep a satisfied customer is only about U$1. Other studies report that it costs three to five times as much in time, money and resources to attract a new customer as it does to retain an existing customer (Naumann and Giel, 1995; Fierman, 1994). This is important as many small hospitality businesses suffer from financial poverty and operate at the margins of profitability (Morrison, 1998; Ogders, 1998; Storey, 1994; Lovelock, 1991). Small hospitality businesses are often more likely to fail than to succeed (Harris and Watkins, 1998).

But, a company does not only lose customers due to dissatisfaction. A business can be further impacted from a 'switching' customer through negative word of mouth (Skogland and Siguaw, 2004; Choi and Chu, 2001; Vavra, 1997). It is believed that dissatisfied customers speak about their dissatisfaction to as many as nine other potential customers, thus multiplying the loss for the company (Vavra, 1997). Today, with the increasing use of social networking websites such as 'Facebook' the potential negative effect of negative word of mouth may be even greater. On the other hand this may be equally true for satisfied customers. As Fornell (1992) found, customers who are satisfied are more likely to develop into loyal, returning customers who promote one's business further through positive word of mouth. However it is believed that the impact of negative word of mouth is superior to positive word of mouth as negative communication spreads faster than positive (Kozak, 2003; Cadotte and Turgeon, 1988).

Returning customers are important for an enterprise. Reichheld and Sasser (1990) for example found that a five percent increase in returning customers translates into a 25 percent to 125 percent increase in profitability. Loyal customers are likely to buy more, bring new customers, take less of the service provider's time, and are less sensitive to price (Reichheld, 1996; Reichheld and Sasser, 1990). Customer satisfaction has an impact on revenue generation and business costs and is considered to be a key component of success in small hospitality businesses. This is especially important as most of small hospitality businesses operate at the margins of profitability (Morrison, 1998; Ogders, 1998; Storey, 1994; Lovelock, 1991) and are often more likely to fail than to succeed (Morrison, 2002).

While the above stresses the importance of understanding customer satisfaction and empirical evidence exists on the important relationship between customer satisfaction and behavioural intention (for example Song et al., 2012; Hutchinson et al., 2010; Sim et al., 2006) it is important to note at this point that merely engaging in customer satisfaction measurement will not automatically result in improvements (Pizam and Ellis, 1999) and / or economic success; similarly poor performance does not automatically cause dissatisfaction. Kordupleski et al. (1993) for example found that although many customer oriented businesses collect and analyse data they then do not know how to adequately use the results. Dutka (1994) made a similar observation and reports about companies that successfully measured customer satisfaction levels and then failed to act upon the results. But even when customer satisfaction is achieved customers may leave a company and decide to spend their money elsewhere (Jones and Sasser, 1995). On the other hand Yuksel and Yuksel (2001a) report of customers who are satisfied although performance was not high. Hence even if a strong relation exists between satisfaction scores and performance this does not mean that it will result in economic success, as customers' satisfaction levels might decline over time, their attitudes and desires may change, or new competition may

emerge (Pizam and Ellis, 1999). Nevertheless, the above exampies may be considered exceptions to the rule.

While it can, does, and probably will always happen that satisfied customers may not return to a destination, probably simply because they want to discover and experience new places, satisfying them can still be beneficial to a business through other means, for example through positive word of mouth. This thesis follows well substantiated claims that generation of satisfaction is overwhelmingly beneficial to a business. Operators of small hospitality businesses should aim to understand what their customers want. Engaging in customer satisfaction activities will most likely bring organisations closer to their customers and help them understand what their customers want. In this way organisations can follow up and achieve consumer driven improvement through continuous service and process evaluation, understanding of one's own competitive strengths and weaknesses (Yuksel and Yuksel, 2001a; Naumann, 1995), providing customers the right services, and providing them in a way that will satisfy them. These issues are likely to result in a cost-effective approach to maintaining a business (Bojanic, 1996).

4.2.3. Conceptualisations of customer satisfaction

Williams and Buswell (2003) contend that customer satisfaction consists of a number of different components and there are various conceptualisations and theories of customer satisfaction and service quality. Already in 1981 Maddox (Maddox, 1981) noted that customer satisfaction does not have one universally accepted meaning. Years later Oliver (1997:13) stated that *"everyone knows what satisfaction is until asked to give a definition. Then it seems, nobody knows"*. More than a decade later, this doesn't seem to have changed and the variance in conceptualisations remains (for example Williams and Buswell, 2003; Giese and Cote, 2000).

Different conceptualisations of customer satisfaction include contrast theory, assimilation-contrast theory, dissonance theory, generalised negativity theory and hypothesis testing theory (Yuksel and Yuksel, 2001b). Studies of consumer satisfaction include the expectation-disconfirmation paradigm, comparison level theory, equity theory, norms as comparison standards and value-percept disparity theory (Yi, 1989). Pizam and Ellis (1999) report of nine 'distinct theories': expectancy disconfirmation, assimilation or cognitive dissonance, contrast, assimilation-contrast, equity, attribution, comparison-level, generalised negativity, and value-precept (Pizam and Ellis, 1999; Oh and Parks, 1997). Pizam and Ellis (1999) claim that the majority of those theories are based on cognitive psychology. They (ibid, 1999) also contend that some theories have received more attention than others and suggest that some of them may even have been introduced without any empirical underpinnings. While theories on customer satisfaction differ there are also apparent overlaps. Especially on a micro level there are certain elements and antecedents that seem to reoccur in the different conceptualisations. These mostly concern issues like expectations, perceived performance, expectancy disconfirmation, desires and desires congruency, attribution, stability over time, manageriability, blame, emotion, equity, value, norms and standards, as well as behavioural intentions (Bowen and Clarke, 2002; Soutar, 2001; Oliver, 1993; Parasuraman et al., 1988; Zeithaml, 1993).

It is not always clear from the literature how the notion of a new theory would be justified or what consequences are to be expected from (yet) another differentiation. Customer satisfaction, as the name implies, is first and foremost about the customer. Iacobucci et al. (1995) found that customer satisfaction and perception of service quality are indistinguishable from a customer's point of view. They argue (Iacobucci, 1995) that differences between the two may only lie in the "manageriability" of the matter, i.e. the control a manager can exercise on a matter or attribute. If consumers do not voice differences between the two (Oh and Parks, 1997; Iacobucci et al.,1995), and considering that *"research on quality*

or satisfaction should reflect the marketplace of those whose opinions are being conceptualized" (Iacobucci et al., 1995:296), then also a differentiation between the two in a measurement instrument seems expendable (Bowen and Clarke, 2002; Oh and Parks, 1997). In addition Iacobucci et al. (1995) comment that "quality" might only differ from "satisfaction" when service providers are not in line with their customers and, although providing a "high-quality service", they do not satisfy the customer because the very attributes where "high-quality" is achieved are those least important to the customer.

As it remains unanswered if customer satisfaction and service quality can really be distinguished, it may be pointless from a management point of view to try and differentiate between the two (Yuksel and Yuksel, 2001a; Iacobucci et al., 1995). In line with the above considerations this thesis does not try to argue for one approach over the other but sets out to employ those four methods that appear to be the most commonly used for customer satisfaction measurement in the hospitality and tourism industry (for example O'Leary and Deegan, 2010; Shie and Wu, 2009; Fuchs and Weiermair, 2003; Yuksel and Yuksel, 2001a and 2001b; Oh and Parks, 1997; Weber, 1997; Peterson and Wilson, 1992). Because there are no studies on customer satisfaction in Taiwanese rural hotels the application of these four methods will also serve as a test of their applicability in customer satisfaction measurement in the Taiwanese rural hotel context. The results generated from this test are expected to act as a stepping stone for future research in this context. The four measurement methods employed in this study are the Expectancy Disconfirmation Paradigm (EDP); the Perceived Performance Only (PPO); the Importance Performance Analysis (IPA); and the Revised Importance Performance Analysis (RIPA). Because no customer satisfaction studies have been conducted in Taiwanese rural hotel.

4.3. Expectancy Disconfirmation Paradigm (EDP)

Authors such as Yi (1990) and Oliver (1980) suggest that in its broadest sense customer satisfaction may be seen as the consumer's response to the evaluation of a perceived discrepancy between some comparison standards and the perceived performance of a product or service. This process of comparison has also become known as the confirmation/disconfirmation paradigm, or Expectancy Disconfirmation Paradigm (EDP), with confirmation resulting in satisfaction and disconfirmation resulting in dissatisfaction. Hence the EDP is one approach that interprets customer satisfaction measurement over a period of time.

Various authors and over time (for example Zehrer et al., 2011; Yuksel and Yuksel, 2001a; Oh and Parks, 1997; Weber, 1997; Parasuraman et al., 1994; Zeithaml et al., 1993) claim that customer satisfaction has most commonly been understood on the basis of the Expectancy Disconfirmation Paradigm. The Expectancy Disconfirmation Paradigm implies that customers purchase products and services with pre-purchase expectations about actual performance and that a disconfirmation is measured as a gap between customer expectations and service performance (Yuksel and Yuksel, 2001a). For example when service performance is greater than initially expected there is a positive disconfirmation between expectations and performance that results in satisfaction. In contrast negative disconfirmation occurs when service performance is less than expected and results in dissatisfaction (Yuksel and Yuksel, 2001a; Parasuraman et al., 1994). The difference between customers' expectation and their perception of the actual performance is known as a service gap (Zeithaml et al., 1993). EDP is frequently used by hospitality and tourism researchers (Kim et al., 2012) and the majority of hospitality and tourism studies have assumed that it is a valid and reliable framework that can be confidently used to measure customer satisfaction with hospitality and tourism services (Zehrer et al., 2011; Liu et al., 2009).

In the EDP expectation is seen as the primary determinant of satisfaction (Yuksel and Yuksel, 2001a) and two broad types of expectation have been suggested in the literature. Predictive expectations refer to customer beliefs about what will happen in the impending service experience, while normative expectations refer to customer beliefs about what should happen (Ngobo, 1997). Authors have further contended two methods of investigation – an inferred and a direct approach to measuring a service gap. First, the inferred approach requires collection of two sets of data. One that captures customers' expectations, and one that details the perceived performance (Yuksel and Yuksel, 2001a; Yuksel and Rimmington, 1998). These two scores are then subtracted to form a third variable, the discrepancy score (Yuksel and Yuksel, 2001a). One of most widely used inferred disconfirmation models is SERVQUAL (Parasuraman et al., 1988), a 22-item instrument for assessing customer perceptions of service quality in service and retailing organisations. An adopted version of SERVQUAL has become known under the acronym RATER (Reliability, Assurance, Tangibles, Empathy, and Responsiveness) (Tenner and DeToro, 1992). Secondly, the direct approach requires the use of summary judgment scales to measure confirmation and disconfirmation. The respondents are asked directly the extent to which the service experience exceeded, met, or fell short of expectations. This might be done using a Likert scale that reads 'better than expected' to 'worse than expected'. In doing so the researcher avoids the necessity of calculating difference scores (O'Neill and Palmer, 2004; Yuksel and Yuksel, 2001a; Yuksel and Rimmington, 1998).

Proponents of EDP believe that the identification of service gaps presents a useful measure in guiding managers or hotel owners in their efforts to improve services. The contention is that negative gaps identify those attributes with the greatest potential for improvement. On the other hand large positive gaps may point to attributes where a particular feature of a service has been overprovided and resources could be redeployed to attributes which have a negative gap

(Wisniewski, 2001). A zero score identifies attributes where the service provider is doing well. Supporters of EDP content that it presents a tool that can help managers identify where performance can be best targeted (Wisniewski, 2001). However, the Expectancy Disconfirmation Paradigm has received both plaudits in relation to its theoretical and operational advantages and disagreement on a number of grounds.

The literature commonly reports of two basic difficulties with the EDP (Liu et al, 2009). One is concerned with the formula used to calculate the discrepancy variable and one is concerned with the point of time when to measure expectation (Liu et al., 2009). First, as has been explained above, the discrepancy value in EDP is calculated by using the formula 'perceived performance minus expectation'. This construct of a mathematical difference fails to differentiate between different numerical scores that give the same gap scores, such as 5-3 equals 3-1. If the identical gap scores derived from different numerical scores do indeed present the same level of satisfaction is debatable. Furthermore gaps may be interpreted differently by different managers. Those more concerned about keeping operational costs low may target a zero score. At the same time managers more concerned about their customers may want to achieve positive gaps (Burns et al., 2003).

Second, there is a continuing debate on the timing of expectation measurement in customer satisfaction studies. Some researchers suggest that expectations should be solicited before the service experience (Carman, 1990). Others argue that expectations may be measured after the service experience (Parasuraman et al., 1988). To be of value *"expectation should be elicited prior to the service being provided, otherwise the risk is so great that expectations will be contaminated by perceptions of the actual service provided"* (Getty and Thomson, 1994:8). This method has been employed by a number of researchers in tourism and hospitality literature (for example Tribe and Snaith, 1998; Johns and Tyas,

1996; Fick and Ritchie, 1991; Huges, 1991; Whipple and Thach, 1989). For instance in their investigation of satisfaction among first time visitors to Spain Pizam and Milman (1993) solicited travellers' expectations before they left and examined their perception of 21 destination attributes after they returned from their holiday. Weber (1997) adopted a similar approach in her research on satisfaction of the German travel market in Australia. Weber (1997) distributed questionnaires to tourists on their arrival and asked them to complete the pre-trip section on the day of arrival and the post-trip section at the end of their holiday.

Although adopted by a number of researchers measuring expectations prior to service experience may be problematic. Using the pre-post approach does not guarantee that respondents actually fill in the expectation part of the questionnaire before service experience and bears the danger of hindsight bias (Yuksel and Rimmington, 1998; Weber, 1997). Moreover prior expectations may be modified during the service encounter and these modified expectations may be used in the comparison process (Danaher and Mattson, 1994; Iacobucci et al., 1994; Grönroos, 1993; McGill and Iacobucci, 1992). An observed effect (satisfaction) may be due to an event which takes place between the pre and post-test (Cook and Champbell, 1979). For instance it can be argued that the importance attached to expectations may change during the service experience and a new set of expectations may be formed as a result of experiences during the service encounter (Danaher and Mattson, 1994). Zwick et al. (1995) suggest that updated expectations may be more influential in satisfaction judgments than pre-consumption expectations. To overcome this problem others, for example Parasuraman et al., (1988) and Dorfman (1979), asked respondents to complete both expectations and perceptions questions at the same time. Based on their previous experience with the service, respondents were asked what they had experienced. However this approach is also questionable as expectations might be over/under stated if the tourists have a very negative or positive experience (Yuksel and Rimmington, 1998). It appears that respondents need to remember

prior expectations correctly but in reality it could be argued that the exceptions are measured with perceptions (Yuksel and Rimmington, 1998).

In addition a number of other concerns have been raised in the literature. Regarding the role of expectancy disconfirmation research by Hughes (1991) on guided tours of an aboriginal and islander community in North Queensland found that many customers were satisfied although their expectations had not been met. This contradicts one of the main assumptions of the EDP where it is assumed that customers are only satisfied when their expectations are met or exceeded, but that they are dissatisfied when there is a negative service gap. There is also some controversy about the 'validity' of customers' 'expectations'. Some customers may have, or at least claim to have, consistently high expectations (Babakus and Boller, 1992) which questions how meaningful it is to include almost constant values (Crompton and Love, 1995). Some customers may have unrealistic expectations, which would be better described as desires, while some customers may be more realistic in their estimations of a service (Crompton and Love, 1995). Others yet may have not expectations of a service whatsoever (Yuksel and Yuksel, 2001a). The different service gaps that result from different motives in respondents may lead to misinterpretation of data. The above debate has led to the development of alternative approaches to measuring customer satisfaction. One such alternative is discussed in the next section on the "perceived performance only" analysis (PPO).

4.4. Perceived Performance Only Analysis (PPO)

The theoretical and operational problems associated with the measurement of expectation have led many researchers to doubt the validity of disparity theories (Kim et al., 2012; Yuksel and Yuksel, 2001b). First doubt started to arise by evidence provided by Dorfman (1979) who identified that EDP did not correlate

as highly with overall satisfaction as did the performance value alone. In 1982 Churchill and Surprenant conducted a study to investigate whether it was necessary to include disconfirmation as an intervening variable affecting satisfaction, as was commonly argued at that time, or if the effect of disconfirmation was adequately captured by expectation and perceived performance. Importantly they compared and differentiated between two kinds of products, a durable (a video disk player) and a non-durable (a plant). Their results supported the EDP for non-durable goods but found that in durable goods satisfaction was determined solely by the performance of the product and concluded that the direct performance-satisfaction link accounted for most of the variation in satisfaction (Churchill and Surprenant, 1982).

Notable opposition against EDP also started to form from around the work of Cronin and Taylor (1992). They (Cronin and Taylor, 1992) investigated the relationship between service quality, customer satisfaction and purchase intentions and found that performance measures alone predicted customers' overall satisfaction at least as good as the more complicated EDP. Their (Cronin and Taylor, 1992) major conclusion was that EDP was a 'flawed paradigm' (Cronin and Taylor, 1992:64) and hence suggested that service quality should be conceptualised and measured as an attitude, using PPO which better explains variation in service quality. They challenged the contention that the (alleged) causal connection between customer satisfaction and service quality was such that satisfaction was an antecedent of service quality, and they provided empirical evidence that in fact it was vice versa, with perceived service quality leading to satisfaction. Furthermore they found that satisfaction had a significant effect on purchase intention greater than service quality. Cronin and Taylor (1994) later developed and refined their approach into the SERVPERF model and this has become one of the most popular perceived performance only models (Liu et al., 2009).

However most of the criticism of the EDP was based on studies of goods rather than services. Accordingly these results had to be further tested in the service industry. This came forth through work such as Fick and Ritchie's (1991) study on measuring service quality in the travel and tourism industry and in four different tourism settings. They (Fick and Ritchie, 1991) found that un-weighted performance only measures consistently explained more of the variation in consumer perceptions and outperformed the EDP. These findings were later confirmed for example by Yuksel and Rimmington (1998), Crompton and Love (1995), or Cronin and Taylor (1992).

Accordingly measuring performance only is supposed to have several advantages over the EDP. PPO is supposed to be a more straightforward and more convenient approach of analysis as it only requires one data set. It thus avoids many of the controversies raised in the previous section around when to measure expectation or how expectation may be influenced and / or change over time and issues regarding statistical properties of difference scores. From a respondent's point of view it facilitates participation in studies as it avoids survey fatigue of a two part questionnaire (Liu et al., 2009). However, while measuring performance only is convenient it also bears apparent shortcomings. The fact that PPO falls short of expectation as an additional variable is interpreted by some as missing a certain degree of richness (Crompton and Love, 1995) and losing a lot of useful information that is available in the EDP (O'Neill and Palmer, 2004). In particular information about customers' expectations and the ability to see to which extent they have been fulfilled is still perceived by some as an important indication for channelling resources to where they are most needed (for example Lentell, 2000). In summary the PPO may seem a convenient compromise but it has to be considered at the cost of important detail. PPO might tell a provider how good he is doing but it is less helpful a tool for directing him into the future (O'Neill and Palmer, 2004).

4.5. Importance Performance Analysis (IPA)

Criticism of early approaches to customer satisfaction measurement, such as the EDP, has led some researchers to believe that performance-measures is all that is needed in customer satisfaction. However, another line of thinking emerged which paced more emphasis on the importance customers attain to individual attributes. The contention was that if attribute importance wasn't considered then one would have no indication of the relative importance that customers attach to particular aspects of a service experience (Yuksel and Yuksel, 2001b), an idea that conceptually follows the multi-attribute theory (Chu and Choi, 2000). Customer satisfaction is a function of both expectations related to certain important attributes and judgements of attribute performance (O'Leary and Deegan, 2005; Martilla and James, 1977). This approach has become known as the Importance Performance Analysis. One of the first reported proponents of this approach are Martilla and James (1977) who used IPA in the automobile industry and in a marketing context. It has since been adapted in various other settings, including hospitality and tourism (Azzopardi and Nash, 2013; Chen, 2012; Kuo et al., 2011; Yang et al., 2011; Wu et al., 2010; Deng, 2008). Several authors have noted that after a steep incline in popularity the IPA method has started to lose favour again, mostly due to developments and availability of statistical tests and computer technology (for example Ritchie et al., 2008). However, there are still numerous recent examples of IPA use in the tourism and hospitality literature, for example in the visitor attraction satisfaction benchmarking project in Australia (Ritchie et al., 2008), to study perceptions of visitor relationship marketing opportunities by destination marketers (Murdy and Pike, 2011), to study the whale shark tourism industry in Mexico (Ziegler et al., 2011), or to examine the performance of urban destinations in Australia (Edwards et al., 2010).

The key objective in the IPA is of diagnostic nature and aims to facilitate identification of attributes for which, given their importance, a service under- or over-performs (Miranda et al., 2010; Deng, 2008). Attribute performance and attribute importance are seen as independent variables and the relationship between attribute performance and overall performance is perceived to be linear and symmetrical. The contention is that IPA allows straight forward identification of attribute importance and performance and to graphically display their relationship in a simple analysis grid consisting of four quadrants that tell the service provider what to do (for example Ziegler et al., 2011). Hence it can identify areas which need further research and management attention, through anchoring with importance ratings and without sophisticated statistical analysis techniques (Ritchie et al., 2008).

The operationalisation of IPA consists of three steps (O'Leary and Deegan, 2005): In a first step service attributes are identified through means such as literature review, interviews or focus groups. In a second step customers are asked two questions about each attribute "how important is it?" and "how well did the service perform?". In a third step importance and performance scores for each attribute are calculated. These values are then placed on a two-dimensional plot called the IPA grid (O'Leary and Deegan, 2005). The grid is separated by cross hairs represented by the mean scores for the overall importance and the mean scores for the overall performance and results in four quadrants. The four quadrants are (1) concentrate here (2) keep up the good work (3) low priority, and (4) possible overkill. This is graphically displayed in figure 4.1.

Figure 4.1: Importance Performance Analysis grid

IMPORT		
	Quadrant I **Concentrate here** High Importance Low Performance	**Quadrant II** **Keep up the good work** High Importance High Performance
	Quadrant III **Low priority** Low Importance Low Performance	**Quadrant IV** **Possible Overkill** Low Importance High Performance

PERFORMANCE

Source: Martilla and James, 1977

Quadrant one (concentrate here) shows attributes with an above average / high importance and a below average / low performance. It points to attributes where effort should be concentrated in order to improve performance. Quadrant two (keep up the good work) shows attributes with both an above average importance rating and an above average performance rating. It indicates areas where the business is doing well and the service provider should aim to keep it this way. These attributes may be stressed in marketing efforts (Ritchie et al., 2008). Quadrant three (low priority) points out attributes with both a low importance and a low performance rating. Attributes that fall into this quadrant are believed to require very little consideration or resource allocation by management. Quadrant four (possible overkill) accommodates those attributes that have an above average performance but a below average importance. These are largely unappreciated attributes and managers may either increase customers'

expectations through better marketing strategies or reallocate funding from these attributes to one of the other quadrants (Ritchie et al., 2008; Ryan and Cessford, 2003).

Although the IPA technique has been described as simple and intuitive (for example Ritchie et al., 2008; Deng et al., 2008; Deng, 2007; Oh, 2001; Chu and Choi, 2000; Hansen and Bush, 1999), or helpful in deciding how to best allocate and channel scarce resources in order to maximise satisfaction the IPA method, like its alternatives, it is not without its shortcomings. Vaske et al. (1996) identifies one possible practical shortcoming in the use of mean scores which obscure individual differences and may lead managers to instigate changes that then affect all customers. Managers need to be careful to 'get the balance right'. However, there are also conceptual issues pertaining to IPA such as a lack of a clear definition for attribute importance in the literature (Oh, 2001) or a lack of consensus when and how to measure importance (Shieh and Wu, 2009; Yuksel and Yuksel, 2001a). Miranda et al. (2010) report of two different methods for measuring importance, a direct method which asks customers directly how important an attribute is and by using some kind of scale (for example a Likert scale), or an indirect method where importance is calculated from the performance score and (a separate) overall satisfaction score with multivariate regression analysis.

Matzler et al. (2004) challenged the underlying assumptions of IPA, namely that attribute performance and attribute importance are independent variables, and secondly, that the relationship between attribute performance and overall performance is linear and symmetrical (Kim et al., 2012). Matzler et al. (2004) pointed to theoretical and empirical work that suggested that the relationship between attribute-level performance and overall satisfaction was more complex and asymmetric, calling the applicability of IPA into question (for example Deng, 2008; Matzler et al., 2004 and 2003; Matzler and Sauerwein, 2002; Kano et al., 1984). As a consequence Matzler et al. (2003) proposed a Revised Importance

Performance Analysis (RIPA) that derives attributes importance through partial correlation analysis between attribute performance and overall customer satisfaction. The RIPA, also known as Three Factors Analysis, is discussed in the next section.

4.6. Revised Importance Performance Analysis (RIPA)

Like EDP and PPO the IPA approach has come under criticism (for example Deng, 2008; Matzler et al., 2003). Matzler et al. (2003), in a study on customer satisfaction with bank services, provides evidence that the outcome of an IPA is sensitive to the importance measure used, namely that importance weights differ between customers' self-stated importance and implicit measurements of importance (i.e. calculations of performance correlated with overall satisfaction) and are thus potentially misleading managers in their improvement efforts. In addition it became evident that service attributes may fall into one of three categories, each of which has different impacts on the formation of satisfaction (for example Matzler et al., 2003; Matzler and Sauerwein, 2002; Anderson and Mittal, 2000). This was largely based upon Kano et al's. (1984) distinction of five categories (attractive, one-dimensional, must-be, indifference and reverse). Later Vavra (1997) suggested that attribute importance weights could be placed on a two-dimensional importance grid, with explicit importance (i.e. customers' self-stated importance) placed on one axis and implicit importance (i.e. derived importance) on the other. This resulted in the identification of a three factor structure of customer satisfaction: basic factors (dissatisfiers), performance factors (hybrid factors), and excitement factors (satisfiers).

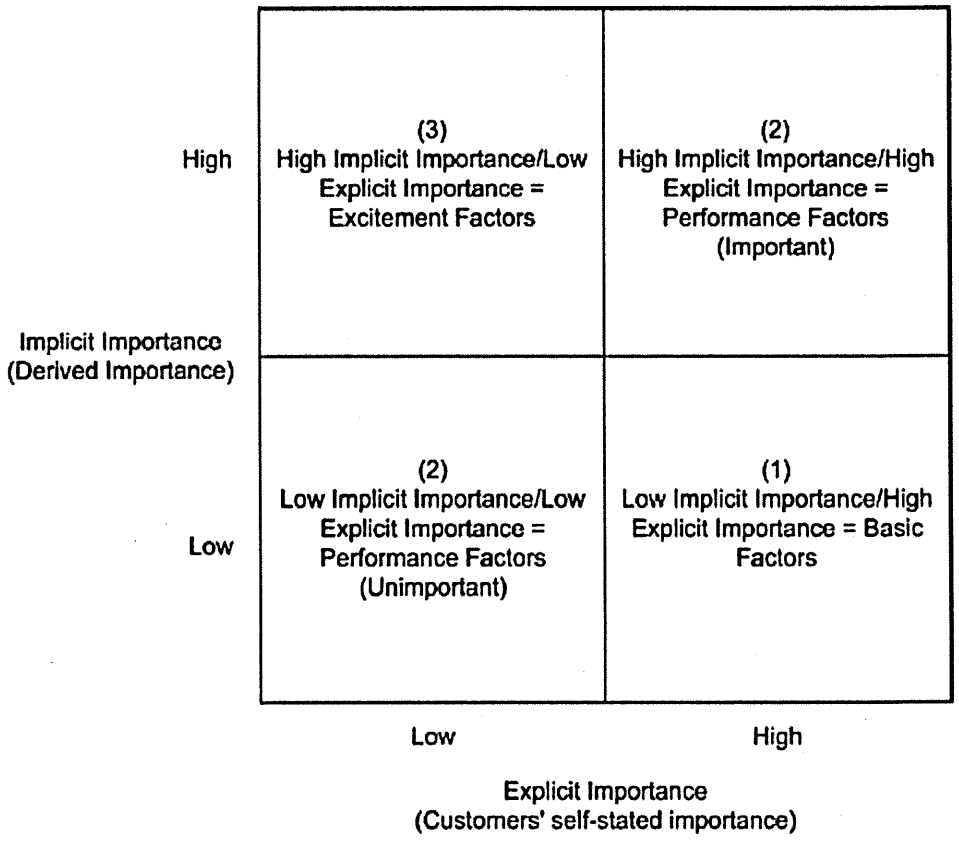
Matzler and Sauerwein (2002) elucidate these three factors. First, 'basic factors' or dissatisfiers describe those attributes of a service that on one hand do not lead to customer satisfaction when fulfilled or exceeded but on the other hand can

dissatisfy customers when they are not fulfilled. These factors are considered by customers as 'taken for granted' prerequisites of satisfaction and are not explicitly demanded. They may be described as the raison d'etre of a business and establish a market entry threshold. They are a necessary but not a sufficient condition for satisfaction. Secondly, 'performance factors' or 'hybrid factors' are those attributes of a service that lead to satisfaction if fulfilled and to dissatisfaction if not fulfilled. They usually present customers' articulated needs and desires. Thirdly, 'excitement factors' or 'satisfiers' may increase satisfaction if delivered but they do not cause dissatisfaction when they are not provided. Attributes that fall into this category often come unexpected for customers and surprise them. They can delight customers and if recognised by the service provider they bear the potential for the business' competitive advantage (Matzler and Sauerwein, 2002).

This revised IPA is illustrated in the importance grid in figure 4.2. The grid's hairs are determined through the mean or median of importance weights. This results in four quadrants (1) low implicit importance / high explicit importance = basic factors (2) high implicit importance / high explicit importance = important performance factors and (2) low implicit importance / low explicit importance = unimportant performance factors (3) high implicit importance / low explicit importance = excitement factors. Figure 5.5 shows a linear and symmetric relationship between service attribute performance and overall satisfaction for performance factors. The relationship between basic factors and overall satisfaction is nonlinear and asymmetrical. Basic factors are very important when performance is low, but their influence on overall satisfaction decreases when performance increases. The same is true for excitement factors. Excitement factors and overall satisfaction also stand in the same nonlinear and asymmetrical relationship, where excitement factors are very important and highly influence overall customer satisfaction when performance is high, but their impact on overall customer satisfaction decreases with declining performance.

The message to managers thus is to fulfil all basic factors, to be competitive in regard to performance factors, and to stand out from the competition in regard to excitement factors (Matzler et al., 2003).

Figure 4.2: RIPA grid



Source: Matzler and Sauerwein (2002) based on Vavra (1997)

4.7. Discussion

There has been an extensive debate regarding the nature and determinants of customer satisfaction and how it is best measured (Oh and Parks, 1997) and authors have posited several theoretical constructs. Over time some constructs have found more attention than others, also because some approaches lack

empirical underpinnings (Pizam and Ellis, 1999). However, even among those theoretical constructs that have been empirically tested there is no consensus as to which approach should be used and when in order to measure customer satisfaction in hospitality and tourism settings. Some researchers believe that customer satisfaction is a reflection of gaps, either positive or negative, between customers' expectation and their perception of a service. Others assert that customer satisfaction is an outcome solely of their perceptions. These stances are reflected in the four approaches that have been discussed in this chapter. There is however no sufficient research evidence on what kind of method might be used in the Taiwanese rural hotel setting. Accordingly this study will test all of the four presented approaches to customer satisfaction measurement, and in the Taiwanese rural hotel context. It is expected that results generated from this research will serve as a stepping stone for future research in customer satisfaction in general, and in a Taiwanese context in particular.

The next chapter will be a summary chapter that pulls all of the literature together critically to show the contribution and the context of this study clearly.

CHAPTER 5: THE TAIWANESE RURAL HOTEL – STATE OF THE FIELD

5.1. Introduction

This chapter is a critical summary of the literature presented in the previous chapters. The purpose of this chapter is to, based on the previous literature chapters, set a clear path for the research methodology, which will be discussed in the next chapter. This chapter elaborates what is known about the Taiwanese rural hotel upon commencement of this study. It recaps in section 5.2 on the literature on Taiwanese rural hotels, in section 5.3 on how customer service attributes in relevant studies have been identified, in section 5.4 which overall research methods have been employed in related studies, and in section 5.5 on how customer satisfaction has been measured and analysed in previous studies. This chapter closes with a critical discussion in section 5.6.

5.2. Literature on Taiwanese rural hotels

Tourism in Taiwan is taking an increasingly important role. In the overall rise of tourism in Taiwan, rural tourism has become a fast growing component of the hospitality and tourism industry. Based on gross domestic product, tourism in Taiwan has overtaken the contribution of agriculture, a traditional strong point in the Taiwanese economy (Taiwan Tourism Bureau, 2013b; WTTC, 2012). Rural tourism businesses increasingly replace traditional agriculture businesses. Especially the Taiwanese rural hotel has seen a substantial increase over recent years and has changed the tourism landscape in Taiwan. According to the Taiwanese Tourism Bureau (2013b) the number of rural hotels has skyrocketed to 3,236 hotels in 2011, a substantial increase from just 36 rural hotels in 2001.

Accordingly the Taiwanese rural hotel is attributed to be an "increasingly important factor" (WTTC, 2012) in the development of the hospitality and tourism industry in Taiwan. But what do we know about this increasingly important factor; and especially, what do we know about it from a customer service perspective?

Rural tourism is an instrument in the transformation of traditional agricultural economies into tourism economies (Chen et al., 2013; Wang et al., 2013) and an important tool in broader rural development objectives (Su, 2011; Ury, 2002). Rural tourism has been an effective catalyst of rural socio-economic regeneration (He, 2003) and upgrading of rural areas (Wang et al., 2013). Thomas et al (2011) suggest that the development of rural tourism can be conceptualised by understanding its inherent parts, such as the Taiwanese rural hotel. Accordingly, critically appraising rural hotels in Taiwan is important. However, no study could be identified from the literature that explicitly deals with Taiwanese rural hotels. None of the few academic contributions that are related to the Taiwanese rural hotel, for example hot spring hotels in Taiwan (Chen et al., 2013; Liu, 2010), B&Bs in Taiwan (Wu and Yang, 2010) or hostels in Taiwan (Tsai, 2007) take a particular focus on the nature and characteristics of the Taiwanese rural hotel. Information provided by the Taiwanese Tourism Bureau is mostly bureaucratic or informational, with information on the application, licensing, registration, and several health and safety issues. However, the Taiwanese Tourism Bureau (2003) includes a spatial regulation in that rural hotels shall be limited to scenic spots, remote areas, and non-urban land, thus differentiating it to B&Bs and hostels. The size of rural hotels is also limited, from generally five rooms to a maximum of 15 rooms allowance in aboriginal areas (Tourism Bureau, 2003). There are some brief remarks that the rural hotel should be clean and tidy and comply with various sanitary, health and safety regulations (Tourism Bureau, 2003). It may be concluded that the 2003 regulation (Tourism Bureau, 2003) was instrumental in formulating some very basic requirements for Taiwanese rural hotels, and in doing so, driving the legalisation process from illegal to legal hotels.

However, one recent study (Wu and Yang, 2010) suggests that B&Bs in Taiwan, of which the Taiwanese rural hotel is a sub-group (i.e. B&Bs in rural areas), have transformed over recent years and that tourists now expect better quality of service and satisfaction from the environment and local features in these leisure facilities (Wu and Yang, 2010). However, their (Wu and Yang, 2010) study focuses on customers' revisiting desires, and they do not include measures of customer satisfaction. The fact that little is known about Taiwanese rural hotels, in particular from a customer satisfaction perspective, presents a gap in the literature. This study wants to contribute to closing this gap and contends that identifying customer service attributes from the literature presents a prerequisite for an empirical investigation of customer satisfaction in Taiwanese rural hotels. This creates the need to critically assess the wider literature on customer service attributes in hotels and to find out how they were identified in related studies, in Taiwan and internationally.

5.3. How customer service attributes are identified

As stated earlier the literature provides no explicit example of customer service attributes in Taiwanese rural hotels. Accordingly the literature search aimed to identify studies that may be relevant to the Taiwanese rural hotel phenomenon. This search resulted in a list of 18 relevant studies; eight of which are from Taiwan and the other ten from China, New Zealand, Portugal, Spain, UK, and the US. The location of one study is unknown (Yuksel and Rimmington, 1998). One study is a multi-country study (Magnini, 2011). 16 out of the 18 studies are relatively recent (i.e. 2007-2013), and two older studies (Yuksel and Rimmington, 1998; Zane, 1997) have been included in the list. This is due to their exclusivity, as Yuksel and Rimmington (1998) is the only study that could be identified that applies and compares six measurement methods for customer satisfaction with each other; and Zane (1997) because it is a classic, and still rare, account of the

B&B guest profile. This list is presented in table 5.1, and the studies are discussed in the following paragraphs. The literature shows that authors use a range and different scale of customer service attributes for their studies and in a range of research contexts. Often, however, there is little or no information provided how customer service attributes were identified, or if a specific research context was taken into consideration when selecting attributes. In some cases where information is provided the chosen research method appears to be inconclusive.

For instance, Hsieh et al. (2008) in their study on hot spring hotels in Taiwan aimed to establish an evaluation framework for the measurement of service quality (in hot spring hotels in Taiwan). They (Hsieh et al., 2008) conducted a review of the international literature to identify 23 attributes. Their (Hsieh et al's, 2008) selection process was oriented towards Parasuraman et al's (1985 and 1988) five major dimensions of service quality (tangibles, reliability, responsiveness, assurance, empathy) and they (Hsieh et al., 2008) claim to have used the Delphi method to evaluate the suitability of their attributes. Unfortunately Hsieh et al. (2008) do not provide any detailed information on how the Delphi method was conducted, for example which attributes that were identified from the literature may have had to be dropped due to the specialists' intervention; if there were any attributes where the experts disagreed with the literature or with each other; and if the specialists probably suggested attributes previously unmentioned in the literature. No information is provided on how many or what kind of specialists were included in the Delphi study. Furthermore, it seems that Hsieh et al. (2008) consulted specialists only, and did not consult customers. In the authors opinion it is questionable if leaving out customers in the customer attribute selection process is desirable, as customers themselves are specialists in their very role as customers. This seems to be especially relevant when little or no context specific literature is available and a researcher has to rely on the international literature for identifying (a first set of) service attributes. To address this gap in the literature and to avoid some of the pitfalls and shortcomings of

existent studies this study will approach a range of stakeholders (customers, hotel owners/managers, and experts) for the identification of Taiwanese rural hotel customer service attributes.

Another example from Taiwan is Yang et al. (2011a). For this (Yang et al., 2011a) study on customer satisfaction in business and resort hotels in Taiwan they identified 24 or 52 (it does not come out clearly of the text) attributes based on a review of international literature only. While they do provide some references, including Kano's model (1984), which inspired their accumulation of attributes and apply those attributes in 234/400 customer questionnaires, they are also silent about the selection of the two hotels (one business and one resort hotel). Why have those hotels been chosen? There is no other information provided than that the hotels are in Taiwan (Yang et al., 2011a). This presents another gap in the literature that this study will address.

Taking attributes from the international literature only bears the danger that attributes are included that do not fit the specific research context. If service attributes are identified in order to be used in a questionnaire it is also important to bear comments of contributors outside tourism research in mind. Mintzberg (1973) for example, in his discussion of research methodologies in management studies, stresses that researchers must first develop a basic understanding of the phenomena under study before employing highly structured forms of research, such as questionnaires. Early use of highly structured forms of research inherit the danger of presupposing much knowledge on a subject (Mintzberg, 1973). This does not allow the researcher to create a "new structure" and is likely to perpetuate the naive views we now have (Mintzberg, 1973) of rural hotels in Taiwan. In a similar vein Goldstein (1999) and Corning (2002) argue that respondents should not be presented with a predefined list based on secondary sources only. Such a list (for example deployed in a questionnaire), it is argued,

bears the danger to include service attributes that are not relevant to a particular research context, thus devaluating the results of the study.

The above considerations may explain why for example Deng et al. (2007), in their study of customer service attributes at Taiwanese hot springs, used data from a blend of primary sources in order to identify 21 attributes: open-ended questionnaires to scholars, officers of tourism authorities, managers of hot spring enterprises, and a few veteran customers. These 21 attributes were then applied in another closed questionnaire with 371/600 tourists at two hot spring facilities in Taiwan. However, Deng et al. (2007) do not provide any information on how the first questionnaire, the one that helped identify the service attributes, was designed, what questions it contained and where they came from, and the research population and return rate. Although Chen et al. (2013), in their study on marketing strategies for the bed and breakfast industry in Taiwan, conducted eight interviews with customers in order to identify 22 customer service attributes, they do not provide detailed information on what kind of questions were asked in relation to customer service attributes or why those questions were asked. The authors (who have industry experience, it is stated in Chen et al., 2013) then categorised interview data into 22 attributes, before applying them to 270/300 questionnaires in 22 guest houses in one county in Taiwan. Hu et al. (2012) identified a first set of 33 attributes from the literature, which was cut down to 30 attributes after consulting three experts in interviews. They (Hu et al., 2012) later applied those attributes in two homestays in one county in Taiwan, using a sample of 80 customers (80/80).

Even if customers are not consulted in the customer service attribute identification/selection process, such as in Hu et al., (2012), Yang et al. (2011a), Hsieh et al. (2008), or Su and Sun (2007), which is undesirable in the author's point of view, effects may be alleviated by testing attribute acceptance/relevance through other means, for example through customer questionnaire return rate (a

high return rate implying a good acceptance/relevance of the listed attributes) or customers' comments on the questionnaire and individual attributes. However, Hsieh et al. (2008) distributed their questionnaire to tour guides and group hosts of travel agencies only, even stating that "these persons are more likely to experience the services provided by the hot spring hotels" (Hsieh et al., 2008:434). This again, the author believes, is critical from a customer service perspective, because it leaves the customers' perspective out (almost) completely. Especially in a study that's dedicated purpose is "to discover what services must be offered by hot spring hotels to raise customer satisfaction and to encourage repeat customers for perpetual business" (Hsieh et al., 2008:429).

A more thorough approach seems to have been employed in Wu and Yang's (2010) identification of customer service attributes. They studied customers' revisiting desires in B&Bs in Taiwan (Wu and Yang, 2010). After identifying a first set of 36 attributes from the literature the tested those attributes using a questionnaire (134/150). As a consequence 11 customer service attributes were deleted, to give a total of 25 customer service attributes. However, they also fail to provide information on where the questions for the first questionnaire came from and how, why, or which service attributes were dropped from the initial list.

Studies, such as Su and Sun's (2007) investigation of Taiwan's hotel rating system, that are solely based on a review of the literature and that also do not apply attributes to any sample are difficult to interpret. Su and Sun (2007) compare rating systems from the UK, US, China, and Taiwan based on a review of the international literature. Where do Su and Sun's (2007) 12 attributes come from; how were they broken down from originally 127 to 12 attributes? If those 12 attributes were never "tested" in any empirical studies and by customers, how do we know that they are valid? It might be that Su and Sun (2007) used secondary data for identifying those attributes, as the main focus of their study was to compare different national hotel rating systems. However, this is just speculation.

If it was so it would just reveal another flaw in their study, as no references are given and the reader is left puzzled where the attributes might have come from. Finally, their 12 attributes appear to be fairly general hotel attributes and one might wonder if they are relevant to a specific setting such as the Taiwanese rural hotel.

Tsai (2007), although he is listed under literature review, government reports, and interviews in table 5.1, is another contributor who leaves many questions unanswered. He (Tsai, 2007) provides two attributes but there is no information how these attributes were derived at. There is no information on the interviewees, the interview, or the interview questions. The attributes were not applied in any study, which again leaves space for speculation about their validity and applicability in certain research settings. These issues are persistent throughout the literature, also the international literature from outside Taiwan. Ramanathan and Ramanathan (2013) in a study on customer loyalty in the UK identify seven attributes. However, they do not provide any information how these seven attributes were derived at, nor do they apply those attributes to any research sample. Torres and Kline (2013), in a study on customer delight in the US, come up with 27 attributes. Again, no information is provided how these attributes were derived at. The same applies to many of the other studies in the list, such as Loureiro (2012), Han et al. (2011), Magnini et al. (2011), Kandamully and Suhartanto (2003), Yuksel and Rimmington (1998), and Zane (1997), who all used literature review. Chi and Qu (2009), in a study on attribute satisfaction and overall satisfaction in the US, are an exception, as they used literature review, interviews and focus group in order to identify customer service attributes. However, also their study can be criticised for not including any information on how the interviews were conducted, what kind of questions were asked and based on what source of information, or how many people were interviewed. These studies present flaws and the present research seeks to overcome them.

Furthermore there is often no detailed explanation of what individual customer service attributes describe or how they are to be understood; for example Yuksel and Rimmington (1998), who, in an otherwise fantastic study, fail to provide details (other than that they were based on the literature and that a pre-test with 30 customers had been conducted) about how they identified the 12 service attributes they investigate in the food industry, and which forms the basis for their study. Yuksel and Rimmington (1998) even go so far, that the reader never finds about what these 12 attributes are. This makes it difficult when one wants to compare findings related to specific customer service attributes. As a consequence this study will aim to provide sufficient detail in the descriptions of each customer service attribute.

In summary, the literature review and table 5.1 show that, out of the 18 identified studies, eight selected customer service attributes based on a review of the literature or content analysis only. Six studies used more than one method (for example literature review combined with interview, as for example Chen et al., 2013 did), three studies don't provide any information on how customer service attributes were identified, and one study used a questionnaire. This is surprising and must also raise some concern about the validity and/or comparability of those attributes, because increasingly tourism researchers (for example Masadeh, 2012; Heimtun and Morgan, 2012; Hu et al., 2012; Pansiri, 2006; Pansiri, 2005; Downward and Mearman, 2004; Davies, 2003) are calling for a combination of research methods. In order to prevent some of the possible shortcomings and pitfalls that come with such an approach (Hu et al., 2012), and as discussed in Corning (2002), Goldstein (1999), or Mintzberg (1973), this study will aim to place more emphasis on the particular research context and will aim to identify customer service attributes using a range of research methods and involving several key stakeholders.

mer service attributes were identified in related international tourism studies

arch Method	Number of attributes	Applied to	Context	Country
ıture review, views (8)	22	270/300 B&B visitors of 22 B&Bs in one county, using questionnaire	B&B marketing	Taiwan
ıture review, views (3)	30	80/80 homestay customers of two homestays in one county, using questionnaire	performance of homestays	Taiwan
ıture review only	24 or 52[6]	234/400 customers at one business and one resort hotel, using questionnaire	customer satisfaction in business and resort hotels	Taiwan
ıture review, tionnaire (134/150)	25	295/450 customers of 6 B&Bs in one county, using questionnaire	B&B customers' revisiting desires	Taiwan
ıture review, hi method[7]	23	tour guides and group hosts of travel agencies at four hot spring hotels, using questionnaire (unknown research population)	determining critical service attributes in hot spring hotels	Taiwan

ıg et al's (2011a) paper if they used 24 or 52 attributes, as both numbers are mentioned.
›vide no information on how the Delphi method was conducted.

tionnaire[8]	21	371/600 tourists in one National Park and one Scenic Area, using questionnaire	customer satisfaction in hot spring hotels	Taiwan
ıture review only	12	not applied[9]	hotel rating system	Taiwan
rnment documents, ıture review, views[10]	2	not applied	agricultural globalisation and rural tourism development	Taiwan
ıown	7	not applied	customer loyalty	UK
ıown	27	applied to 105/119 customer feedback letters of 4*/Diamond hotels	customer delight	USA
ıture review, ent analysis 386/51,880)	15	42,886/51,880 online reviews of 774 star rated luxury and budget hotels	customer satisfaction	China
ıture review (only)	22	not applied	quality in rural tourism	Portugal, Spain

no information about the sample size or any other information regarding the questionnaire
ıttributes were not used in a questionnaire but compared to rating systems from the UK, US, and China
no information about how many interviews and with whom they were conducted

ıture review	10	358/1090 guests at three upper-midscale hotels, using questionnaire	switching barriers in the hotel industry	US
ɛnt analysis	11	743/1268 travel blogs	customer delight	60 countries
ıture review, views[11], ; group	33	345/1000 visitor responses, using questionnaire	attribute satisfaction and overall satisfaction	US
ıture review	4	106/237 guests in five chain hotels in Christchurch, using questionnaire	customer satisfaction and image gaining in chain hotels	New Zealand
ıture review, pilot with 30 customers	12	401/460 restaurant customers of one chain restaurant, using questionnaire	customer satisfaction measurement, food industry	unknown
ıown	10	1,393/5100 B&B guests of 159 B&Bs in 39 states	B&B guest profile	US

ılation

ovide no information on what kind of or how many people were interviewed

5.4. Research methods employed in relevant existent studies

After the previous section had looked at which methods had been employed in identifying customer service attributes in tourism and hospitality studies, this section will look at the overall application of those customer service attributes and the kind of methods that have been employed in doing so. This is to gain an understanding of a possible methodological approach to be employed in the present study on customer satisfaction in Taiwanese rural hotels.

The table presented in this section builds on table 5.1. It shows how customer service attributes have been used in related studies. Again, the table presents 18 studies, eight from Taiwan and the other ten from China, New Zealand, Portugal, Spain, UK, and the US. The location of one study is unknown (Yuksel and Rimmington), and one study is a multi-country study (Magnini et al., 2011; 60 countries). 16 out of the 18 studies are relatively recent (i.e. 2007-2013), and two older studies (Yuksel and Rimmington, 1998; Zane, 1997) have been included in the list due to their exclusivity. Yuksel and Rimmington (1998) is the only study that could be identified that applies and compares six measurement methods for customer satisfaction with each other; and Zane (1997) is included because it is a classic, and still rare, account of the B&B guest profile. This list is presented in table 5.2, and the studies are discussed in the following paragraphs.

Table 5.2 provides an overview of the scope and type of recent tourism research studies in Taiwan and internationally. It shows that authors have applied a range and sometimes a combination of research methods in different research contexts. The literature review shows that related studies in Taiwan and internationally have used (in alphabetical order): content analysis; factor analysis; focus groups; government documents; interviews; literature review; and questionnaire. These studies have been conducted in various research contexts, including B&Bs (Chen

et al., 2013; Wu and Yang, 2010; Zane, 1997), homestays (Hu et al., 2012) and hot spring hotels (Hsieh et al., 2008; Deng, 2007), rural tourism (Loureiro, 2012; Tsai, 2007) or business and resort hotels (Yang et al., 2011a). These studies have used between two (Tsai, 2007) and 33 (Chi and Qu, 2009; or Yang et al., 2011 with 52 attributes respectively, although it is not clear if they used 24 or 52 attributes) customer service attributes. In terms of research scope and population attributes have been employed to research samples of different sizes. Chen et al. (2013) 270/300; Yang et al. (2011a) 234/400; Wu and Yang (2010) 295/450; Deng (2007) 371/600; Torres and Kline (2013) 105/119; Hu et al. (2012) 80/80; Han et al. (2011) 358/1,090; Magnini (2011) 743/1268; Chi and Qu (2009) 345/1000; Kandampully and Suhartanto (2003) 106/237; Yuksel and Rimmington (1998) 401/460; and Zane (1997) 1,393/5,100). By far the largest study is by Li et al. (2012) who used a sample of 51,880/42,886 online reviews of 774 star rated luxury and budget hotels in China. The research population of one study of hot spring hotels in Taiwan (Hsieh et al., 2008) is unknown.

The review of the literature included in table 5.2 also makes apparent that a third of these studies, six out of 18, solely relied on secondary data and used literature review or content analysis only (Su and Sun, 2007; Ramanathan and Ramanathan, 2013; Torres and Kline, 2013; Li et al., 2012; Loureiro, 2012; and Magnini et al., 2011). In some instances, for example where a very large sample has been used (such as in Li et al., 2012; 42,886/51,880), this may be more justifiable than in others. However, taking into account contributions from Corning (2002), Goldstein (1999), or Mintzberg (1973), and more recently Hu et al. (2012), relying on secondary data alone can be problematical in terms of coherence and consistency, in particular in studies about upcoming phenomena, where little context specific literature exists.

One study was a pure qualitative study (Tsai, 2007), seven studies were of pure quantitative nature (Han et al., 2011; Yang et al., 2011a; Wu and Yang, 2010;

and Deng, 2007; Kandampully and Suhartanto, 2003; Yuksel and Rimmington; Zane, 1997) and four studies used a mix of qualitative and quantitative research methods (Chen et al., 2013; Hu et al., 2012; Chi and Qu, 2009; and Hsieh et al., 2008). In the qualitative study (Tsai, 2007) it is not always clear how the author arrived at his conclusions (e.g. the service attributes). Although he (Tsai, 2007) mentions that interviews were used, he does not provide information on how many interviews, or with whom, they were held. Some other notions, for example his reference to visitors' practicing handcraft making or farming techniques, which "has interested visitors greatly" (Tsai, 2007:10), might have been backed up with quantitative data.

On the other hand Deng (2007), using a pure quantitative approach, could have probably added rigour to his study by additionally employing a qualitative approach, instead of using a questionnaire, on which he provides no detailed information, for identifying customer service attributes. Hsieh et al. (2008), whose article was published in "Tourism Management" (Tourism Management 29, 2008, 429-438), and who also use a pure quantitative approach, fail to provide information on the research population. Another issue relates to the relevance of findings, i.e. if there is any shareholder (ideally customers') feedback on the results. As Chung and Petrick (2012) have noted, the collection of reliable customer feedback through an adequate and appropriate assessment framework presents a prerequisite for developing effective management strategies. However, some of the studies, for example Ramanathan and Ramanathan (2013), Loureiro (2012), Su and Sun (2007) or Tsai (2007), have not applied their results to any research population. Therefore, they fall short of this important information.

In summary it can be said that researchers have used both qualitative and quantitative methods in related research, with the latter still appearing to be the most common approach. This observation conforms with scholars such as Sandiford and Seymour (2007), who bemoan the relative dearth of qualitative

approach in tourism and hospitality research, or Mendenhall et al. (1993). However, there are increasingly contributors who choose to combine qualitative and quantitative methods and who employ a mixed methods approach. Where qualitative methods only have been used results should be applied to a research sample in order to incorporate customer feedback (on their acceptance). Where quantitative methods only have been used it is sometimes questionable how they arrived at a study's constituent parts, for example customer service attributes that are included in a questionnaire. There are other examples where a pure quantitative approach seems justified. However, in the present research setting it appears that a mixed method approach from a pragmatist stance would be best suited, as a qualitative study could provide information on customer service attributes that, due to a lack of literature, cannot be identified through, for example, a content analysis. These attributes then need to be tested. Here a quantitative approach with a large (i.e. representative) research sample would seem appropriate. This research will employ a mixed method approach using pragmatism.

pe of related international tourism research studies

:h Method	Number of attributes	Applied to	Context	Country
re review, :ws, questionnaire	22	270/300 B&B visitors of 22 B&Bs in one county, using questionnaire	B&B marketing	Taiwan
re review, :ws, questionnaire	30	80/80 homestay customers of two homestays in one county, using questionnaire	performance of homestays	Taiwan
re review, nnaire 1, nnaire 2	25	295/450 customers of 6 B&Bs in one county, using questionnaire	B&B customers' revisiting desires	Taiwan
re review, Delphi][12], questionnaire	23	tour guides and group hosts of travel agencies at four hot spring hotels, using questionnaire (unknown research population)	determining critical service attributes in hot spring hotels	Taiwan
nnaire 113, nnaire 2	21	371/600 tourists in one National Park and one Scenic Area, using questionnaire	customer satisfaction in hot spring hotels	Taiwan

de no information on how the Delphi method was conducted.
ɔ information about the sample size or any other information regarding the questionnaire

re review (only)	12	not applied14	hotel rating system	Taiwan
nent documents, re review, ws15	2	not applied	agricultural globalisation and rural tourism development	Taiwan
re review (only)	7	not applied	customer loyalty	UK
: analysis	27	applied to 105/119 customer feedback letters of 4*/Diamond hotels	customer delight	USA
re review, content ;	15	42,886/51,880 online reviews of 774 star rated luxury and budget hotels	customer satisfaction	China
re review (only)	22	not applied	quality in rural tourism	Portugal, Spain

ributes were not used in a questionnaire but compared to rating systems from the UK, US, and China
information about how many interviews and with whom they were conducted

'e review, ınnaire	10	358/1090 guests at three upper-midscale hotels, using questionnaire	switching barriers in the hotel industry	US
analysis	11	743/1268 travel blogs	customer delight	60 countries
'e review, content , interviews, focus ıuestionnaire	33	345/1000 visitor responses, using questionnaire	attribute satisfaction and overall satisfaction	US
'e review, ınnaire	4	106/237 guests in five chain hotels in Christchurch, using questionnaire	customer satisfaction and image gaining in chain hotels	New Zealand
'e review, ınnaire, pilot test customers	12	401/460 restaurant customers of one chain restaurant, using questionnaire	customer satisfaction measurement, food industry	unknown
ınnaire	10	1,393/5100 B&B guests of 159 B&Bs in 39 states	B&B guest profile	US

ion

5.5. How customer satisfaction is measured

Following the discussions how customer service attributes have been identified in hospitality and tourism studies, and what research methods have been applied overall in related studies, this section now recaps on how customer satisfaction may be measured and how the collected data may be analysed.

Customer satisfaction is an important aspect and in any business (Hu et al., 2009) and one of the primary goals of tourism and hospitality businesses (Chung and Petrick, 2012). Many authors, for example Song et al., (2012), Zehrer (2009), Ritchie et al. (2008), Deng et al. (2008), Matzler et al. (2003), Reisinger and Turner (2003), Baker and Crompton (2000), Kozak and Rimmington (2000), Pizam and Ellis (1999), and Vavra (1997), stress the importance of customer satisfaction. Customer satisfaction is also considered to play an important role in the survival and success of hospitality services (Chung and Petrick, 2012; Hu et al., 2009; Gursoy et al., 2003; Enz, 2001; Cronin and Taylor, 1992). Therefore accurate measurement of customer satisfaction is inevitable for hospitality and tourism businesses. The collection of reliable customer feedback through an adequate and appropriate assessment framework presents a prerequisite for developing effective management strategies (Chung and Petrick, 2012). However, at current there is a lack of customer satisfaction studies in rural hotels in Taiwan and in related fields. Many of the studies presented in table 5.2 are relevant regarding their information on identifying customer service attributes. Furthermore they are relevant in that they provide an overview of what kind of research methods have been used in related fields. However, there is no study that measures customer satisfaction in Taiwanese rural hotels, and only some studies in Taiwan are about customer satisfaction measurement in related areas,

such as homestays (Hu et al., 2012), hot spring hotels (Deng, 2007), or, more generally, business and resort hotels (Yang et al., 2011a).

Looking at the existent relevant literature from Taiwan, Deng (2007) and Yang et al. (2011a) have both used the RIPA approach to customer satisfaction measurement. Hsieh et al. (2008) strived to develop their own measurement framework for hot spring hotels in Taiwan, but have not actually measured customer satisfaction themselves, i.e. their model has not been applied to any research sample. Similarly, Chen et al. (2013), Su and Sun (2007), or Tsai (2007) have not effectively measured customer satisfaction. Likewise, Wu and Yang (2010) have not conducted a customer satisfaction study. Hu et al. (2012), whose study is published in "Mathematical Problems in Engineering", take a more "mathematical" approach, using analytical network process. Therefore, the international literature had to be consulted in order to get clues about customer satisfaction measurement in the hospitality and tourism domain.

There is a plethora of conceptualisations and theories of customer satisfaction in the international literature (Williams and Buswell, 2003; Yuksel and Yuksel, 2001a and 2001b; Giese and Cote, 2000; Pizam and Ellis, 1999). Not all of the differences in these approaches are severe and there are apparent overlaps (Iacobucci et al., 1995). These mostly concern issues like expectations, perceived performance, expectancy disconfirmation, desires and desires congruency, attribution, stability over time, manageriability, blame, emotion, equity, value, norms and standards, as well as behavioural intentions (Bowen and Clarke, 2002; Soutar, 2001; Oliver, 1993; Parasuraman et al., 1988; Zeithaml, 1993). So while many of the smaller differences seem to come down to just a matter of "manageriability", i.e. the control a manager can exercise on an attribute, (Iacobucci, 1995), over time four lines of arguing for a certain kind of customer satisfaction measurement in hospitality and tourism research seem to have

become manifest (O'Leary and Deegan, 2010; Shie and Wu, 2009; Fuchs and Weiermair, 2003; Yuksel and Yuksel, 2001a and 2001b; Oh and Parks, 1997; Weber, 1997; Peterson and Wilson, 1992). These are EDP, PPO, IPA, and RIPA (ibid).

Studies on customer satisfaction measurement in hospitality and tourism have traditionally been conducted using EDP, PPO, IPA and RIPA (O'Leary and Deegan, 2010; Shie and Wu, 2009; Fuchs and Weiermair, 2003; Yuksel and Yuksel, 2001a and 2001b; Oh and Parks, 1997; Weber, 1997; Peterson and Wilson, 1992). However, there are various, slightly alternating, versions of each of those four measurement methods, which makes it sometimes difficult to ascribe studies to a particular measurement method. Another issue pertains to the information provided by authors regarding the research (and measurement) method they have employed. Often authors present their interpretation of results but do not include (enough) information (for example the original questionnaire) for a third party to be able to ascribe their study to a particular measurement method. Many authors in customer satisfaction measurement are not explicit about which theoretical construct they subscribe to. Some customer satisfaction measurements merely mention the use of "a questionnaire" and "statistical analysis". These studies may contain hints and many of them can then be best ascribed to PPO, which is also known as the 'straight forward' and, from a data collection point of view, 'easiest' approach. However, a consequence of the lack of detailed information is that, a categorisation of customer satisfaction measurement studies into distinct measurement methods can never be exact and will often be notional.

This probably explains why the literature currently lacks of a coherent body of multi-measurement multi-method research in customer satisfaction in tourism and hospitality research. Two notable exceptions to this is a study from Ritchie et

al. (2008) on visitor satisfaction at attractions in Australia, and Yuksel and Rimmington (1998), who studied 12 restaurant service attributes in a chain restaurant. One other exception from a related field in tourism and hospitality research, service quality measurement, is the contribution from Hudson et al. (2004). Where authors employed several measurement techniques simultaneously, these authors tend to use reliability (for PPO and EDP) or validity (for IPA and RIPA) as selection criteria as to which findings should be considered most important.

Yuksel and Rimmington (1998) employed and compared six different methods, performance only; performance weighted by importance; importance minus performance; direct confirmation-disconfirmation; confirmation-disconfirmation weighted by importance; and performance minus predictive expectations. Yuksel and Rimmington (1998) ascertain that there are significant differences in the validity of those six methodologies. They conclude that measuring customer satisfaction as performance only (PPO) is the most reliable and valid measure of satisfaction, and performance minus predictive expectations is the least reliable. Ritchie et al. (2008) also found differences in results of different measurement methods. However, probably due to the nature of their report (a contract technical research report) they (Ritchie et al., 2008) do not enter into a discussion of the possible implications of these differing findings. Other the research by Hudson et al. (2004), who assessed four methods of measuring customer service quality: IPA, SERVQUAL (EDP), SERVQUAL multiplied by performance, and SERVPERF (PPO). They (Hudson et al., 2004) find that there was no statistical difference between the four methodologies and conclude that each one presents a valid measurement approach, and each one with its own strengths and weaknesses. However, Hudson et al. (2004) stress the need for further research to validate their finding and the development of a clear body of research that

identifies if any measure of customer satisfaction provides greater validity. This is what the present study is seeking to do.

To the authors knowledge there is no study that discusses differences of customer satisfaction measurement methods in the Taiwanese hospitality and tourism context. In order to approach this gap in the literature this study will be designed in a way that allows employment of all four common approaches to customer satisfaction measurement (EDP, PPO, IPA, RIPA) in order to compare them in the Taiwanese rural hotel context.

5.6. Discussion

Rural tourism and customer satisfaction take an important role in hospitality and tourism research. On one hand rural tourism is seen as an instrument in the transformation of traditional agricultural economies into tourism economies (Chen et al., 2013; Wang et al., 2013) and as an important tool in broader rural development objectives (Su, 2011; Ury, 2002). On the other hand customer satisfaction is seen as a concept for creating a competitive advantage (Zeherer et al., 2011; Ziegler et al., 2011) and as a concept for business success (Song et al., 2012; Zehrer, 2009; Ritchie et al., 2008). It has been argued that in recent years B&Bs in Taiwan, of which the Taiwanese rural hotel is a sub-group (i.e. B&Bs in rural areas), have transformed and that tourists now expect better quality of service and satisfaction from the environment and local features in these leisure facilities (Wu and Yang, 2010). However, from a customer service perspective it is unclear what sort of standard can be expected when visiting a rural hotel. Hence, at present there is no way of effectively monitoring the performance of Taiwanese rural hotels and measuring customer satisfaction.

Despite its potential, rural tourism in Taiwan (and also in China) faces several challenges that remain to be adequately addressed. There is a lack of a clear rural development policy, a lack of management norms, market analyses, and capital input (Tsai, 2007). Rural tourism still carries with it a flavour of old rural communities that are unattractive in appearance (Tsai, 2007), although more recent research (for example Hu et al., 2012; Wu and Yang, 2010) indicates that this perception is changing for a better. However, despite increasing academic interest, rural tourism in Taiwan remains little understood in regard to its connotations, principles, development models and future directions (Wang et al., 2013). In the same line the Taiwanese rural hotel and customer satisfaction therein remains little understood. There is a gap in the literature in regard to what kind of services and to what standard Taiwanese rural hotels provide for their guests. Similarly it is not known how satisfied customers of Taiwanese rural hotels are with the services they are provided with, and where a potential for possible improvement might be present. Likewise, although some contributors have conducted studies in related fields, such as hot spring hotels in Taiwan (Hsieh et al., 2008; Deng, 2007), B&Bs in Taiwan (Wu and Yang, 2010) and homestays in Taiwan (Hu et al., 2012), little is known about the Taiwanese rural hotel customers' profile.

What this chapter has aimed to accomplish is to provide an overview of what is known about the Taiwanese rural hotel and the conceptual problems it is associated with in the wider rural tourism and general tourism development in Taiwan. In a nutshell, the literature review has discussed problems in customer satisfaction research pertaining to a.) the identification of customer service attributes, b.) research methodology in related tourism and hospitality studies more generally, and c.) different measurement methods and analysis techniques. First, it is argued that the identification of customer service attributes should be

accomplished through consulting various stakeholders, so to avoid a bias in the selection of attributes and hence presenting a biased list of attributes to customers when conducting a questionnaire (Corning, 2002; Goldstein, 1999; Mintzberg, 1973). Such a list (for example deployed in a questionnaire), it is argued, inherits the danger to include service attributes that are not relevant to a particular research context, thus devaluating the results of the study (Hu et al., 2012).

Second, this literature review has analysed what kind of research methods have been used in relevant studies. It concludes that some of the shortcomings and pitfalls of existent studies can be overcome by the mixing of research methods (Masadeh, 2012; Heimtun and Morgan, 2012; Hu et al., 2012; Davies, 2003). In mixing qualitative and quantitative approaches this study aims to build on and extend existing studies. Moreover, because studies in tourism and hospitality research have been criticised for lacking of a philosophical foundation and consistency (Masadeh, 2012; Heimtun and Morgan, 2012; Pansiri, 2006; Pansiri, 2005; Downward and Mearman, 2004; Davies, 2003), the present study will be embedded in the pragmatist paradigm (Masadeh, 2012; Pansiri, 2006; Pansiri, 2005), which will be discussed in the following chapter on research methodology.

Third, it was found in the literature review that scholars of customer satisfaction often opt for one measurement technique and analysis technique over another. This is not always done with a clear justification of why one method was chosen over another. Using just one measurement method or analysis technique results in a pool of studies that are difficult to compare with each other. Does one measurement method turn out results that are more valuable than another? Do different measurement methods, if applied to the same data set, turn out same, or differing, results? Although this is a valid question, as hotel owners in particular may think, to the best knowledge of the author such a multi-measurement

approach is rarely applied in tourism and hospitality studies, in particular regarding customer satisfaction measurement (Yuksel and Rimmington, 1998; Ritchie et al., 2008; Yang et al, 2011a; and to some extent Hudson et al., 2004 are notable exceptions). Although opting for one measurement method over another might be posited on one of several theoretical constructs (Oh and Parks, 1997) and their (lack of) empirical underpinnings (Pizam and Ellis, 1999), and sometimes might be due to limited resources, as is contended for example in Wu and Yang (2010), it is argued that, with a thorough understanding of different customer satisfaction measurement methods, a carefully designed questionnaire would allow the simultaneous employment of several measurement methods. It is expected that this would lead to more comprehensive results. This study will aim to do that, in order to get clarity about their comparability and if different measurement methods for customer satisfaction on the same data set will turn out the same, or differing, results. Using multiple research methods from originally competing (qualitative and quantitative) research paradigms and employing various concurrent customer satisfaction measurement methods for the same research phenomenon is also interdependent with the considerations for the "philosophical home" of the study. This will need to be appreciated in the considerations pertaining to the philosophical embodiment of the present study.

Steps a.) b.) and c.) build on each other, i.e. first customer service attributes need to be identified through various means and be context specific, not merely a list carried together from literature in different contexts. These attributes then need to be deployed, measured and analysed using a range of methods. A study using a combination of research methods needs to be embedded in a research philosophy. There are only a few studies in the literature that discuss customer service attributes and customer satisfaction in Taiwanese rural hotels or related fields. Based on a critique of some of the shortcomings and pitfalls of those

studies, this chapter, together with the preceding literature chapters, provides as basis for designing a study on customer satisfaction in Taiwanese rural hotels. It sets a clear path for the research methodology to be employed in this study. This will be discussed in the next chapter.

CHAPTER 6: RESEARCH METHODOLOGY

6.1. Introduction

This study is a multi-strategy exploration of an empirical setting. The research methodology adopts a pragmatist stance using multi strategy research. Methods used for gathering data include a literature review, semi-structured interviews and self-administered questionnaires. The aim of this chapter is to consider how the research question can be answered and to explain why this approach has been adopted.

Following this introduction section 6.2 sets out with considerations on research philosophy. It discusses two traditional approaches to social science research, positivism (section 6.2.1) and relativism (section 6.2.2). Section 6.2.3 rejects the 'incompatibility thesis' (Howe, 1988) between these two traditional approaches based on pragmatic considerations (Johnson and Onwuegbuzie, 2004) and questions how meaningful it is for researchers to continue the 'paradigm war' (Guba and Lincoln, 1998). Accordingly it introduces pragmatism, as a balanced and pluralist position that can make use of the best of both, rich observational data on one hand and hard generalisable data on the other (Johnson and Onwuegbuzie, 2004). It presents a way in which methods from two different philosophical paradigms may be mixed with each other. Section 6.2.4 is a justification for the use of the pragmatist stance in this particular study. Multi strategy research is discussed in section 6.2.5 as the methodological consequence of a pragmatist stance.

Section 6.3 is about the qualitative part of this study. It sets out by considering the importance of qualitative methods in identifying customer service attributes. The subsections elaborate on the use of semi-structured interviews (6.3.1),

respondent selection (two experts, six hotel owners, and five customers) (section 6.3.2) and selection of interview questions and the interview guidance sheets (section 6.3.3). A discussion on qualitative data analysis, how the customer service attributes for the Taiwanese rural hotel were identified, closes this section (6.3.4).

Section 6.4 is about the quantitative part of this study. Section 6.4.1 discusses the self-administered questionnaire as a research instrument in hospitality and tourism research, section 6.4.2 gives insight on the questionnaire design and the several sections of the questionnaire, section 6.4.3 is on the piloting of the questionnaire, and section 6.4.4 on sampling. Quantitative data analysis is discussed in section 6.4.5. Section 6.5 is concerned with linguistic and cultural issues in this research, section 6.6 is concerned with research ethics, and the chapter closes with a summary in section 6.7.

6.2. Research philosophy

It may be argued that positivism and relativism presents the two dominating contrasting views of how social science research should be conducted. Positivism is often referred to as the 'scientific method' and is commonly associated with 'quantitative' research methods. On the other hand relativism is often associated with 'qualitative research' (Robson, 2002). These two approaches to social science research have been at the heart of the 'paradigm wars' between positivists (empiricists, quantitative researchers) and relativists (for example constructionists, phenomenologists, interpretivists; qualitative researchers) on which philosophy is best (Robson, 2002; Guba and Lincoln, 1998). The next two sections will shortly discuss these contrasting approaches to social science research. However, in doing so it is not the author's ambition to continuing the 'paradigm war' (Guba and Lincoln, 1998). On the contrary, she

suggests an alternative approach that aims to achieve a détente between the different paradigms of a post-positivist approach within the empirical tradition on one hand, and less thoroughgoing versions of relativism that can be found in some constructionist approaches on the other (for example Johnson and Onwuegbuzie, 2004; Robson, 2002). This stems from a contention that methodologies and methods employed by both philosophical strands, qualitative and quantitative, are not divergent. Rather they focus on different dimensions of the same phenomenon and they may be used in conjunction. This philosophical position is called pragmatism (Robson, 2002).

6.2.1. Positivism

Positivists take a reductionist approach, which means that they simplify the real world to an extent where they can control an experiment or an investigation. The positivist approach follows the contention that the subject under analysis should be measured through objective methods rather than subjectively through sensation, reflection or intuition (Remenyi et al., 1998). It is believed that the researcher can be objective and independent from what is researched (Easterby-Smith et al., 2002). Research progresses through hypotheses and deductive approaches where concepts are operationalised in order to be measured. Positivists search for causal explanations and fundamental laws, and generally reduce a whole into the simplest possible elements to enable analysis. Generalisations are determined by statistical probability. Human interests should be irrelevant in positivism (Easterby-Smith et al., 2002). The characteristics of positivism are summarised and contrasted to social constructionism in table 5.1.

While positivism remains to be a major influence in management research (Johnson and Duberley, 2000) it has come under substantial criticism (Sarantakos, 1998; Blaikie, 1993; Bhaskar, 1986). The following list summarises philosophical critiques of the positivistic approach (Robson, 2002:22):

- The claim that direct experience can provide a sound basis for scientific knowledge is open to question.
- The view that science should deal only with observable phenomena is rejected.
- It is impossible to distinguish between the language of observation and of theory.
- Theoretical concepts do not have a 1:1 correspondence with 'reality' as it is observed.
- Scientific laws are not based on constant conjunctions between events in the world.
- 'Facts' and 'values' cannot be separated.

Positivistic approaches have further been criticised especially in relation to social research (Robson, 2002; Sarantakos, 1998). Anti-positivist stances argue that social phenomena exist in the minds of people, i.e. that reality is "interpreted social action" (Sarantakos, 1998 cited in Robson, 2002). Thus, it is argued, reality cannot be defined objectively but only subjectively. In addition the overemphasis of quantitative methods, following the model of natural sciences, over qualitative methods has been criticised for being unfit to capture the real meaning of social behaviour (Robson, 2002; Sarantakos, 1998).

6.2.2. Relativism

In appreciation of the apparent shortcomings of the positivistic approach to social sciences research it is increasingly accepted among business and management scholars that non-positivistic approaches to research may be better suited to cope with problems of people and their behaviour in organisations (Remenyi et al.,

1998). Non-positivistic approaches to social science come up in several guises and contexts. They are generally referred to as "qualitative research" and may be grouped under the term relativism, which includes labels such as post-positivism, constructionism, naturalism, or interpretivism. All of these variants share a rejection of the positivist idea that truth about the social world, which is about people, can be established by using natural science methods (Robson, 2002). In its extreme form philosophical relativism rejects the idea of an external "objective" reality and asserts that reality is dependent on human consciousness. It thus places emphasis on humans, who "construct" reality by means of a conceptual system (Robson, 2002).

Contrary to the positivistic approach relativism acknowledges human interests as drivers of science. Different approaches to science are seen as alternative, but nevertheless equivalent (in a strict and thoroughgoing relativist position) ways of looking at the world. There is no privileged position of a particular account or theory. Likewise choosing between different theoretical frameworks is not due to rational criteria, but moral, aesthetic and instrumental values and conventions. As a consequence reality is presented through the eyes of a participant or observer, who becomes part of what is being observed. Depending on the particular stance of the researcher more or less emphasis is put on elements of a phenomenon, for example language or meaning participants give to experience and behaviour. Relativistic approaches use qualitative research methodologies and methods in order to generate qualitative and working hypotheses. Theories are induced from, or "grounded" (Glaser and Strauss, 1967) in data, in contrast to testing a priori theories in a deductive positivistic approach (Robson, 2002; Easterby-Smith et al., 2002; Steinmetz, 1998; Fletcher, 1996).

Table 6.1 (Easterby-Smith et al., 2002) shows the contrasting implications of positivism and social constructionism. They can also be seen as a list of assumptions and methodological implications associated with each position.

Table 6.1: The contrasting implications of positivism and social constructionism

	Positivism	**Social Constructionism**
The observer	must be independent	is part of what is being observed
Human Interests	should be irrelevant	are the main drivers of science
Explanations	must demonstrate causality	aim to increase general understanding of the situation
Research progresses through	hypothesis and deductions	gathering rich data from which ideas are induced
Concepts	need to be operationalised so that they can be measured	should incorporate stakeholder perspectives
Unit of analysis	should be reduced to simplest terms	may include the complexity of 'whole' situations
Generalization through	statistical probability	theoretical abstraction
Sampling requires	large numbers selected randomly	small numbers of cases chosen for specific reasons

Source: Easterby-Smith et al. (2002)

Criticism of extreme forms of relativism goes back to Socrates (Robson, 2002). "By discarding the criteria or aims concerned with truth or objectivity and adopting a full-blown constructionism, such theories become entangled in a web of internal contradictions" (Robson 2002:26 citing Fletcher, 1996:415). Robson (2002) provides the example of a falling tree in a forest, where there is no person to hear it. Does the falling of the tree, for the event to be "true" require a person to hear or see it?

While both positivism and relativistic approaches have come under severe criticism it is also important to note that they are not totally different in their impact on research but employ different methods in researching one and the same "truth". As Easterby-Smith et al. (2002) note it is highly unlikely that any one philosopher

subscribes to all aspects of one particular view. Therefore whichever approach is chosen each one requires a convincing argument that the findings are valid before they are accepted as a valuable contribution to the body of knowledge (Remenyi, 1998).

"Seeing positivism and phenomenology as related concepts rather than as two extreme and separate approaches is useful...; ...empirical and theoretical research should also not be seen as operating separately, but rather as being in a dialectical relationship...providing a set of tools or directions which the researcher may draw on as and when appropriate....in a particular situation, to triangulate the findings and theories and in this way to validate findings" (Remenyi, 1998:37)

In this sense the methodologies and methods employed by both philosophical strands, qualitative and quantitative, are not divergent. Rather they focus on different dimensions of the same phenomenon. The question then arises if a researcher has to ascribe to one of the two extreme approaches of social science research when deciding on a philosophical stance for his research. This contention is elaborated further in the next section.

6.2.3. Pragmatism

This section introduces pragmatism as a middle way between the two traditional paradigms of quantitative and qualitative approaches to social science research (for example Johnson and Onwuegbuzie, 2004; Robson, 2002; Gill and Johnson, 2002; Bryman, 1988; Morgan, 1983). While there are differences in quantitative and qualitative research it is important not to exaggerate them. Authors (for example Bryman, 2004) stress that connections between epistemology and ontology on the one hand and research methods on the other hand are not deterministic and that the artificial / natural contrast between quantitative and qualitative research is frequently exaggerated. There is an inherent danger that

guides to methodological choices *'if interpreted too literally exert a confining and diversionary hold on imagination as interest in the classification "map" replaces interest in the "territory"* ' (Morgan, 1983:41).

There is growing awareness in social science research that methodological choices and the research process as a whole are not as neat a series of logically directed steps as idealised and rational models in traditional methods textbooks suggests it is (Gill and Johnson, 2002). Even the best planned research runs up against unforeseen contingencies in the collection and analysis of data. Research is, in essence, designed in the course of its execution, with hundreds of decisions made while research is under way, and for which standard texts do not provide procedures and techniques for making those decisions (Becker, 1965). It is argued that as a consequence there are no ideal solutions but only a series of compromises in choosing research strategies, designs, and methodologies (McGrath, 1982). As elaborated for example in Gill and Johnson (2002) this places the researcher in a dilemma as different research strategies, when put into practice, do not fit into boxes that a particular philosophical discourse has "reserved" for them. Gill and Johnson (2002), based on work by Churchman (1971), Feyerabend (1975), Mason and Mitroff (1981), and later by Morgan (1983), suggest five (some of which are more theoretical than others) approaches to this dilemma (Gill and Johnson, 2002): (1) evaluatory tests to determining the merits of a particular strategy – these however are likely to experience problems of relativism; (2) different paradigmatic research assumptions which by accepting one method may deny another may inhibit integration or synthesis of different strategies; (3) a 'contingent view' that accepts that there is no optimal way and that hence assumptions and knowledge should be used purely based on their 'usefulness' – the practical utility to the interests it serves; (4) a 'dialectic approach' (Morgan, 1983), similar to the multi method research strategy, which not only accepts the dilemma as inevitable but at the same time attempts to counterpose the insights from different perspectives in order to reach a 'new understanding' –

a new understanding that stems from an attempt to using competing insights within the context of a single (and final) analysis (Morgan, 1983); or (5) a complete relativism approach, as in Feyerabend (1975), which assumes that every research strategy may have something to offer and 'anything goes'.

Amongst suggestion of other authors, for example Hatch and Cunliffe (2006), the above approaches suggest that there is increasing rejection of the 'incompatibility thesis' (Howe, 1988) that qualitative and quantitative research paradigms, together with their associated methods, cannot or should not be mixed and that there is 'a way forward' (Robson, 2002). Authors, for example Johnson and Onwuegbuzie (2004), present 'mixed methods research' as a third research paradigm, rejecting 'classical' contentions such as Guba's (1990:81) that 'accommodation between paradigms is impossible'. Similarly they are not willing to continue the division between hard and generalisable data on one hand and rich observational data on the other (Sieber, 1973). While the qualitative / quantitative debate might have been necessary in the past it has now become increasingly unproductive (Robson, 2002). In addition Bryman (1988) already noted in 1988 that there is more rapprochement between workers in the two traditions than would appear from studying their philosophical underpinnings (Robson, 2002). This suggests a greater compatibility between the two and pragmatism (probably together with instrumentalism, or some may argue with critical realism) is one philosophical position that stands for these ideals and strives to fit together the insights provided by qualitative and quantitative research into a workable solution (Johnson and Onwuegbuzie, 2004).

Proponents of pragmatism believe that it presents a balanced and pluralist position that will help improve communication between researchers from the two traditional research paradigms and helps to shed light on how research methods might be mixed fruitfully and in a way that offers the best opportunities for answering important research questions (Johnson and Onwuegbuzie, 2004).

Considering Peirce (1878) pragmatism implies to consider the effects one conceives of the object of one's conception. The pragmatic method is thus concerned with the interpretation of practical consequences (James, 1907). In order to discover the meaning of an idea one must ask for its consequences (Dewey, 1948), i.e. when judging ideas one must consider their practical and empirical consequences (Johnson and Onwuegbuzie, 2004). This 'engagement in philosophy' will result in situations where on some occasions the qualitative approach will seem more appropriate and on other occasions the quantitative approach will seem more appropriate. The pragmatic approach allows combining procedures from both approaches (Johnson and Onwuegbuzie, 2004), creating the possibility to generate a 'new understanding' (Gill and Johnson, 2002; Mason and Mitroff, 1981) in a multi strategy approach.

6.2.4. Rationale for using pragmatist stance

There is a growing body of literature that discusses the role of different research methods and the philosophical (in)consistency of tourism and hospitality research. Contributors agree that some kind of re-evaluation is necessary if tourism and hospitality research is to become a progressive research programme (Downward and Mearman, 2004; Pansiri, 2006). It has been argued that because of its eclectic origins (Davies and Downward, 2001), with traces from psychology, geography, political science, or law (Masadeh, 2012), and embracing disciplines such as economics, strategy, human resource management, operations management, and marketing, and embracing other elements of sociology, anthropology, or history, the field of tourism studies lacks a philosophical cohesion, or even a well-articulated philosophical perspective (Masadeh, 2012). In considering the philosophical approach for this study the focus of the literature review was on tourism studies, primarily those in Taiwan, that are comparable to the present research setting. Hence the author sought to identify studies on hotels, preferably hotels in rural areas and/or of a comparable size in Taiwan.

Furthermore studies should be on customer satisfaction and/or service quality and employ a number of customer service attributes. Taking the above into consideration it did not really come as a surprise that the literature review revealed that authors of customer satisfaction studies on tourism in Taiwan, and authors of tourism studies in Taiwan generally, are not always explicit about the philosophical underpinnings of their enquiries. However, it is possible to observe that they employ a range of methods, qualitative, quantitative, as well as mixed methods approach. This can serve as a basis for considering the philosophical embeddedness of the present tourism study.

Table 6.2 provides an overview of the research approaches of recent tourism studies in Taiwan. Chen et al. (2013) studied marketing strategies for the bed and breakfast industry in Taiwan and used a mixed methods approach. Hu et al. (2012) evaluated the performance of two homestays in one country in Taiwan. They (Hu et al., 2012) used a mixed methods approach; literature review and interviews with experts for identifying homestay attributes, and a questionnaire to evaluate the performance of homestays respectively. Likewise Hsieh et al. (2008) used a mixed methods approach in their study of service quality measurement in hot spring hotels in Taiwan. Yang et al. (2011) studied customer satisfaction in business and resort hotels in Taiwan, and Deng (2007) investigated customer satisfaction in hot spring hotels in Taiwan. Both (Yang et al., 2011 and Deng, 2007) used a quantitative research approach. One study (Tsai, 2007) used a solely qualitative approach to study agricultural globalisation and rural tourism development in Taiwan. Su and Sun (2007) conducted a study on hotel rating systems by using literature review only.

Table 6.2: Research approaches in recent tourism studies in Taiwan

Author (year)	Qualitative	Quantitative	Mixed	Context
Chen et al. (2013)			√	B&B marketing
Hu et al. (2012)			√	performance of homestay
Yang et al. (2011a)		√		customer satisfaction in business and resort hotels
Wu and Yang (2010)		√		B&B customers' revisiting desires
Hsieh et al. (2008)			√	determining critical service attributes in hot spring hotels
Deng (2007)		√		customer satisfaction in hot spring hotels
Su and Sun (2007)	literature review (only)			hotel rating system
Tsai (2007)	√			agricultural globalisation and rural tourism development

Source: Own Extrapolation

To enhance the understanding of the complex social world that tourism researchers are confronted with, scholars increasingly call for a mixi of quantitative and qualitative research methods in tourism research (Chen et al., 2013; Masadeh, 2012; Heimtun and Morgan, 2012; Hsieh et al., 2008; Pansiri, 2006; Pansiri, 2005; Downward and Mearman, 2004; Davies, 2003). Proponents of mixed methods research argue that, by mixing methods that traditionally belong to competing paradigms, shortcomings of employing either qualitative or quantitative methods only, can be overcome (for example Masadeh, 2012). According to Teddlie and Tashakkori (2003) contributors to tourism research that have employed a mixed method approach have done so traditionally under the banner of triangulation. However, more recently mixed methods research has

moved beyond the conventional view of triangulation and is now described as a richer way of understanding phenomena through complementarity, insight and expansion of the study scope (Greene, 2007). By and by, mixed method research is becoming linked to distinct philosophies. Philosophical underpinnings of mixed method research have been linked to pragmatism (Maxcy, 2003; Johnson and Onwuegbuzie, 2004), critical realism (Downward and Mearman, 2004), or the transformative paradigm (Heimtun and Morgan, 2012).

Pragmatism is used in this study. It has been lauded as the best paradigm for justifying the use of mixed-methods research (Masadeh, 2012; Pansiri, 2006; Pansiri, 2005; Tashakkori and Teddlie, 2003; Teddlie and Tashakkori, 2003). This study follows Masadeh' s (2012) argument that a mixed methods approach based on a foundation of pragmatism offers an ideal perspective from which to approach the problems of tourism research. It follows Pansiri's call (2006) for research in tourism that skilfully combines qualitative and quantitative methods from a pragmatist stance. As such this study aims to adopt a strategy that is an accepted strategy in tourism research in Taiwan, namely to combine research methods, and to do so under consideration of the more general tourism research and methodology literature, that calls for a philosophical embodiment of mixed method approaches in tourism studies. Choosing research methods and measurement techniques interdepends with considerations about the – as tourism and hospitality researchers increasingly claim necessary - philosophical embodiment of a study. In employing (qualitative and quantitative) research methods, from what are originally competing research paradigms, for the sake of 'what works' (Masadeh, 2012) the author finds her "philosophical home" in pragmatism. But the author subscribes to the pragmatist stance not only by employing qualitative and quantitative research methods, but also through the application of several customer satisfaction measurement methods. EDP, PPO, IPA and RIPA are naturally concurrent, in that proponents of each one claim that "their" approach is superior and that it comes up for the shortcomings of the

"other". Rather than opting for one measurement technique in foresight, which would mean positioning her on one of several theoretical constructs (Oh and Parks, 1997), the author wants to find out for herself, not least because of a lack of discussion in the literature, and with the assurance of the reliability of her own data, 'what works' (Masadeh, 2012) for customer satisfaction measurement in Taiwanese rural hotels. At the core of pragmatism is a rejection of the dichotomy between positivist scientism and antipositivist subjectivism, posting instead a version of 'truth' that is measured by its effectiveness; i.e. in solving actual human problems and, away from the positivist/functional and interpretive positions, seeing 'truth' as that which works (Masadeh, 2012). Pragmatism offers the researcher the necessary "philosophical home", which gives her sufficient flexibility for the combination of research methods as well as measurement techniques that other philosophical approaches would simply not condone with.

A rationale has been given in this section for conducting the present research from a pragmatist stance. The research approaches used in this study that form this stance are as follows. First, this study uses 13 semi-structured interviews with key stakeholders in order to identify 21 context specific customer service attributes in Taiwanese rural hotels. Second, customer satisfaction is measured against those 21 context specific customer service attributes, using a questionnaire and applying it to a research sample of 1,500 rural hotel customers in 38 rural hotels across the three counties with the highest population of rural hotels in Taiwan. Third, this study applies four different methods for measuring customer satisfaction that are traditionally posited on one of several theoretical constructs.

This mixed method approach will enable this study to achieve a much wider coverage, with a questionnaire that seeks to give a cultural and rural tourism focus in the context of Taiwan, and examining the rural tourism offer in Taiwan by employing it to a much wider population (scope and location) than comparable

studies. The research approach, design, and its execution, by combining qualitative and quantitative methods, thus builds on and extends previous approaches to customer satisfaction research, especially in Taiwan.

The multi strategy approach to this research will be discussed in the next section.

6.2.5. Multi strategy research

Multi strategy research, or its synonym mixed methods research, is defined as *"the class of research where the researcher mixes or combines quantitative and qualitative research techniques, methods, approaches, concepts or language into a single study"* Johnson and Onwuegbuzie (2004:17). It follows the logic of induction (discovery of patterns), deduction (testing of theories and hypotheses), and abduction (uncovering and relying on the 'best' of a set of explanations for understanding one's results) (Johnson and Onwuegbuzie, 2004; Waal, 2001) and emphasises the importance of the research question in determining which research methods offer the best chance for obtaining a useful answer (Johnson and Onwuegbuzie, 2004). Pragmatism, as discussed in the previous two sections, presents a needs-based or contingency approach to research method and design (Johnson and Onwuegbuzie, 2004). The 'need' for multi-strategy research may occur when researchers cannot rely on either a quantitative or a qualitative method alone and must reach out for a method traditionally associated with 'the other' paradigm (in a dualistic sense). This is also the case in the present study.

The literature review in chapter three concluded that an empirical investigation is required to identify customer service attributes for the Taiwanese rural hotel. The review also showed that this may be done on the basis of understanding customer service attributes in other contexts first, such as literature review (for example Chen et al., 2013; Hu et al., 2012; Yang et al., 2011a; Deng, 2008; Hsieh et al., 2008), content analysis (Li et al., 2012; Magnini et al., 2011; Su and Sun, 2007), and subsequent qualitative (Chen et al., 2013; Hu et al., 2012; Chi and Qu,

2009; Tsai, 2007) and/or quantitative methods (Deng, 2008; Zane 1997). Attributes may then be tested by quantitative means, for example by using a questionnaire or survey (Hu et al., 2012; Yang et al., 2011a; Han et al., 2011; Deng, 2008). In order to identify a first set of attributes a literature review on customer service attributes was conducted. Based on a review of the literature (for example Chen et al., 2013; Hu et al., 2012; Chi and Qu, 2009; Tsai, 2007) a qualitative approach, using semi-structured interviews with a range of different stakeholders, deemed appropriate. Using applied content analysis (Dwyer et al., 2012; Poria et al., 2006; Su, 2004; Gilbert and Horsnell, 1998) interview data and emerging attributes were checked for matches with the customer satisfaction literature. In a next step it was contended that findings from the qualitative study should be 'tested' and further explored on a larger, and representative, scale. Again, based on considerations taken from previous studies (for example Ramanathan and Ramanathan, 2013; Hu et al., 2012; Deng, 2008) a quantitative approach, using a self-administered questionnaire, deemed appropriate.

This study therefore presents a multi-method approach (Johnson and Onwuegbuzie, 2004) that consists of a qualitative and a subsequent quantitative part, and these two parts of the study complement and enrich each other. The literature review shows that relevant studies in Taiwan and internationally have used (in alphabetical order): content analysis; factor analysis; focus groups; government documents; interviews; literature review; and questionnaire. The following table 6.3 (which builds on table 5.2 and its discussion in the summary chapter 5, section 5.4) provides an overview of the scope and type of recent tourism research studies in Taiwan and internationally and compares them to the present study. A lot of the studies that were identified in the literature review only use a literature review and only a few have any great quantitative analysis. The research approach in the present study presents a much wider study with two key characteristics.

First, it comes up with a questionnaire that seeks to give a cultural and rural tourism focus in the context of Taiwan.

Second, this questionnaire is used to examine the quality of the rural tourism offer in Taiwan. It is therefore argued that the chosen research approach does not overturn or ignore approaches of existent studies but extends them, by combining different research methods and by applying them to a more comprehensive research sample. Table 6.3 also shows that the present study uses a combination of all of the methods that have been employed in identified studies. This is with the exception of focus groups, which was found to be impractical for this study as it would have been difficult to get the three stakeholders, customers, hotel owners, and experts together. In particular it was the perception of the researcher that customers would not be willing to spend their spare time to join a focus group. The literature was reviewed throughout the study. Content analysis, applied content analysis, and interviews were used for the identification of customer service attributes (plus the questionnaire and factor analysis have been used to "test" the validity and reliability of those attributes), and the questionnaire has been used to measure individual customer service attribute satisfaction as well as overall satisfaction and return intention in Taiwanese rural hotels. The questionnaire was also used to acquire information on the Taiwanese rural hotel customers' profile. The few government documents that are available were used for customer service attribute identification and preparation of interviews and questionnaire.

type of international tourism research studies compared to present study

arch Method	Number of attributes	Applied to	Context	Country	Method(s) employed in present study
ture review, views, tionnaire	22	270/300 B&B visitors of 22 B&Bs in one county, using questionnaire	B&B marketing	Taiwan	√
ture review, tionnaire 1, tionnaire 2	25	295/450 customers of 6 B&Bs in one county, using questionnaire	B&B customers' revisiting desires	Taiwan	√
ture review, tionnaire	24 or 5216	234/400 customers at one business and one resort hotel, using questionnaire	customer satisfaction in business and resort hotels	Taiwan	√
ture review, hi method[17], tionnaire	23	tour guides and group hosts of travel agencies at four hot spring hotels, using questionnaire (unknown research population)	determining critical service attributes in hot spring hotels	Taiwan	√18

ng et al's (2011a) paper if they used 24 or 52 attributes, as both numbers are mentioned.
ovide no information on how the Delphi method was conducted.
) not provide information on the Delphi method they have employed and how many or what kind of specialists were
ıt study two experts have been consulted to check the attributes' relevance; the author believes that this may be
eh et al. (2008) have done.

:ionnaire 119, :ionnaire 2	21	371/600 tourists in one National Park and one Scenic Area, using questionnaire	customer satisfaction in hot spring hotels	Taiwan	√
ture review)	12	not applied20	hotel rating system	Taiwan	√
·nment ments, ture review, /iews21	2	not applied	agricultural globalisation and rural tourism development	Taiwan	√
ture review)	7	not applied	customer loyalty	UK	√
ɛnt analysis	27	applied to 105/119 customer feedback letters of 4*/Diamond hotels	customer delight	USA	√
ture review, ɛnt analysis	15	42,886/51,880 online reviews of 774 star rated luxury and budget hotels	customer satisfaction	China	√

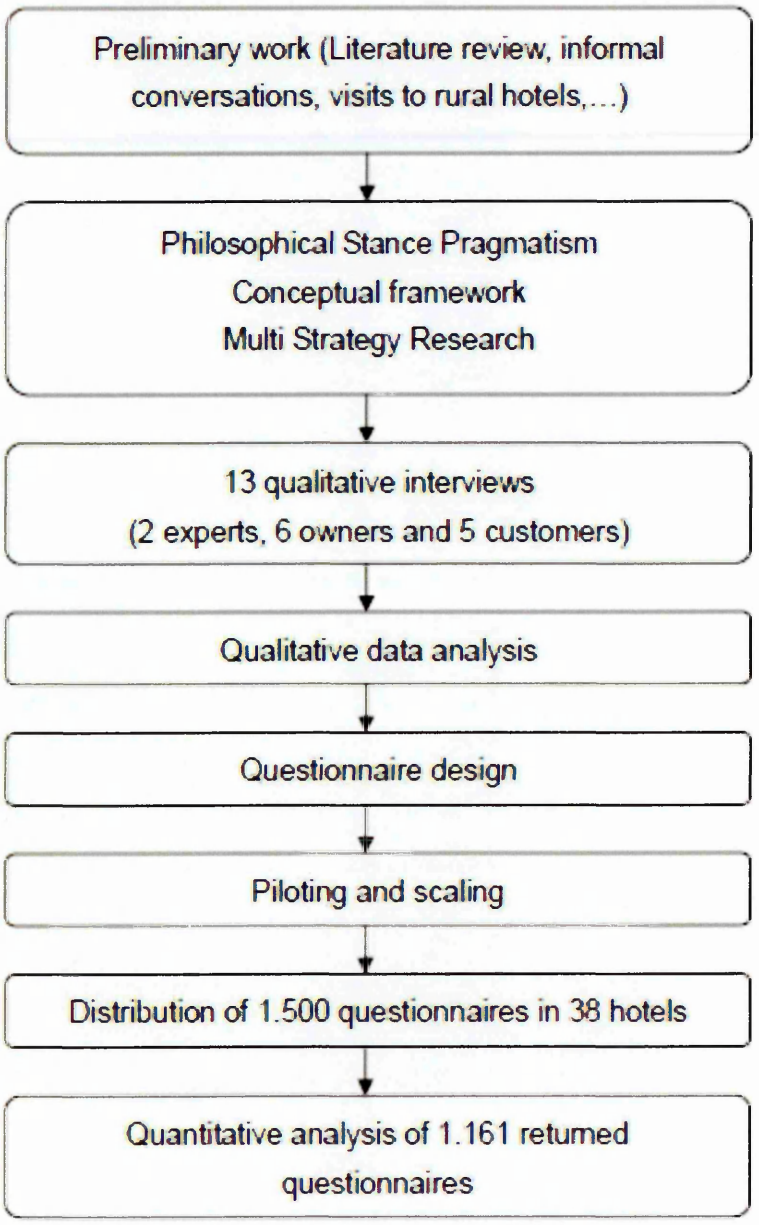
; no information about the sample size or any other information regarding the questionnaire
attributes were not used in a questionnaire but compared to rating systems from the UK, US, and China
ıo information about how many interviews and with whom they were conducted

ture review)	22	not applied	quality in rural tourism	Portugal, Spain	√
ture review, :ionnaire	10	358/1090 guests at three upper-midscale hotels, using questionnaire	switching barriers in the hotel industry	US	√
:nt analysis	11	743/1268 travel blogs	customer delight	60 countries	√
ture review, :nt analysis, /iews, focus ɔ, tionnaire	33	345/1000 visitor responses, using questionnaire	attribute satisfaction and overall satisfaction	US	partly (except focus group)
ture review, tionnaire	6	106/237 guests in five chain hotels in Christchurch, using questionnaire	customer satisfaction and image gaining in chain hotels	New Zealand	√
ture review, test with 30)mers	12	401/460 restaurant customers of one chain restaurant, using questionnaire	customer satisfaction measurement, food industry	unknown	√
tionnaire	10	1,393/5100 B&B guests of 159 B&Bs in 39 states	B&B guest profile	US	√

)lation

In addition figure 6.1 shows the mixed methods research process as it unfolded in the present study.

Figure 6.1: Mixed methods research trail



These are described in more detail in the next sections.

6.3. Qualitative research

6.3.1. Semi-structured interviews

In order to identify a list of customer satisfaction attributes for Taiwanese rural hotels a comprehensive literature review was conducted. Soon it became apparent that very little is known about Taiwanese rural hotels and the services they might offer. The review was extended to customer satisfaction studies in other contexts. However, Yuksel and Yuksel (2001b) for example contend that merely relying on secondary sources or one's own judgement for obtaining attributes may not adequately fit a particular research context. Similarly Kreck (1998), Mills (1986), or Parasuraman et al. (1985) emphasise that what to measure should not be determined by the researcher or practitioner alone but by the very people whose satisfaction level is of importance to the survival of a business. It is possible that attributes only chosen by management or the researcher turn out to be unimportant or irrelevant to customers' needs (Yuksel and Yuksel, 2001b; Pizam and Ellis, 1999; Zane, 1997). Researchers should employ a blend of stakeholders for determining which customer service attributes would be appropriate for a certain context (Kreck, 1998).

Because of the ability of interview data to obtain rich and complete data (Easterby-Smith et al., 2002) it was decided that evidence should be collected using the interview technique. The interview technique is a common occurrence in social life and many different types of interviews are available to the researcher, for example the structured or standardised interview which is often used in survey research and aims to give the exact same stimulus to respondents (Bryman, 2004), or the unstructured interview or intensive interview which is more common in ethnography and is a more informal way of interviewing and allows alterations of phraseology from interview to interview (Lofland and Lofland, 1995; Spradley, 1979). Other types of interview include the qualitative interview, the in-depth

interview, the focused interview, the group interview, or the life-history and oral-history interview (Bryman, 2004).

The application of the interview technique to tourism has found great acceptance (for example Dwyer et al., 2012). This present study employed the method of semi-structured interview, which again covers a wide range of types but typically refers to a context where the interviewer guides the conversation with the help of a series of prepared questions in the form of an interview guide. However, the interviewer is able to vary the sequence of questions, the exact wording, and she has the latitude to ask further questions in response to what are seen as significant replies (Bryman, 2004). The interviews in this study were facilitated through the use of interview guidance sheets (see Appendix A). The questions were used to direct the conversation whilst care was taken to avoid imposing any a priori categorisations, terminologies or value sets (Malhotra and Birks, 2007). The questions were open-ended to obtain views of hotel service attributes and operation.

In order to avoid possible multi-interviewer bias all interviews were conducted by the researcher herself. All interviews were conducted in Mandarin. To encourage respondents to be more honest, reflective, open and relaxed the interviews were held in a location familiar to the respondent (expect for customers), such as their office. Interviews with experts took around 60minutes, with hotel owners between 45-60 minutes, and with customers an average of 30 minutes per interview. Interviews with experts and hotel owners were voice recorded. When voice recording was not possible, immediately following the interview, a memory script was taken. All interviews were then transcribed using MS Word. A written summary of the interview was sent to experts and owners to verify accuracy and to give any other possible comments they may have. This resulted only in minor changes of expression and the summaries were verified by interviewees.

At an early stage of the research focus groups were considered. However, it turned out that focus groups were not feasible because it was thought to be difficult to bring busy experts and hotel owners together with customers who want to enjoy their holiday and not spend an hour or two in a meeting like situation. In addition studies in a similar context (for example Chen et al., 2013; Tsai, 2007) used interviews to identify customer service attributes. It therefore seems a good choice.

6.3.2. Respondent selection

Interviewees were selected through both purposive and snowball sampling (Dwyer et al., 2012; Denzin and Lincoln 2005; Ryan, 1995). From her previous professional engagement[22] in the tourism and hospitality sector in Taiwan the researcher had a number of contacts which were used for the present study. Two experts were identified as appropriate interview partners for the purpose of the study (purposive sample). Expert 1 is from the Taiwan Rural Hotels Development Association. In her previous role as general manager of the Hualien Ecotourism Association the researcher had established contact with Expert 1, an advisor of the Taiwan Ecotourism Association and a representative of the Taiwan Rural Hotels Development Association. In addition Expert 1 has a more personal insight into Taiwanese rural hotels through his family business (his wife runs a Taiwanese rural hotel). Expert 1 is concerned with the promotion of and the role of rural hotels in local community development. He had been invited on previous occasions to the Hualien Ecotourism Association and promoted the concept of rural hotels in two presentations to potential future operators of Taiwanese rural hotels. Another important target group in these presentations were the, due to a

[22] prior to this research the researcher was general manager of the Hualien Ecotourism Association and had worked for the Eastern Region Development Association; these contacts were used during this preliminary stage

lack of regulation at that time illegal, operators of "rural hotels" in an effort to legalise existing businesses. Expert 1 was very passionate about rural hotels and sees himself as a bridge between the local operators of rural hotels and the governmental institutions that are conceptualising and now starting to implement regulations in the rural hotel sector. Likewise Expert 1 was very happy to share his knowledge with the researcher for the present study. Expert 2 is a government representative from the Taiwan Tourism Bureau and in charge of applications for Taiwanese rural hotel certificates. Contact with Expert 2 was established when the researcher aimed to get in touch with the Taiwan Tourism Bureau and Expert 2 was named as the main contact person regarding Taiwanese rural hotels.

The researcher asked the experts to be put in touch with hotel owners of Taiwanese rural hotels. Applying the snowball sample method (for example Dwyer et al., 2012; Denzin and Lincoln 2005; Ryan, 1995) experts 1 and 2 then suggested hotel owners that may be approached for interviews. Experts 1 and 2 suggested nine hotel owners that may be consulted for interviews from the three regions Hualien, Nantow, and Ilan. Three of those hotel owners did not want to be interviewed and arrangements were made with six of them, two from Hualien (Owners 1 and 2), two from Nantow (Owners 3 and 4), and two from Ilan (Owners 5 and 6). The owners were first approached via telephone and the researcher described shortly the purpose of the study and the information he was hoping to get from owners. A date was arranged for a personal visit to the rural hotels. Owner 1[23] from Hualien is a retired couple, a former teacher and a stewardess. Owner 2, also from Hualien, is a retired journalist. Owner 3 from Nantow is again a retired couple. They have a business background and had the lifelong dream of becoming farmers, and the now run a rural hotel on their peach farm. Owner 4, also from Nantow, is a former architect who changed into the rural hotel sector.

[23] Hotel owners are referred to in the singular, i.e. in one hotel has one owner, even though the interviews were mostly held with a couple, for example the hotel owner and his wife

Owner 5 from Ilan is a tea farmer (i.e. the rural hotel is on the tea farm). Owner 6, also from Ilan, is a former carpenter and he was interviewed together with his wife. All six interviews were held within a fortnight. Interviews with hotel owners were held at the rural hotel and took between 30 and 45 minutes. With the exception of one hotel (which was fully occupied) the interviews were followed by a tour through the hotel.

Visiting rural hotels for interviews with the hotel owners also provided the opportunity to obtain some preliminary information directly from rural hotel customers. Accordingly the researcher interviewed rural hotel customers following the interview with the hotel owner. Interviews started with a selective question if customers had previously stayed at a rural hotel and were thus eligible for providing the information sought after. In all five cases the interviewees had already stayed at rural hotels and thus met the eligibility criteria to being interviewed. With the exception of hotel 6 in Ilan, where no customers were present at the time of the interview, one interview for each of the (remaining five) hotels was conducted. Interviewees are referred to in the singular as customer 1, 2, 3 etc. even though they may present a group of respondents, for example a family or a couple. The customer numbers correspond with the hotel numbers, i.e. customer 1 is from hotel 1 in Hualien, customer 3 is from hotel 3 in Nantow, and so on. These customers are:

Customer 1: a family with two kids; they are regular customers to rural hotels and find (new) rural hotels over the Internet or word of mouth (friends)

Customer 2: a couple, they find (new) rural hotels through word of mouth (friends)

Customer 3: a group of four good friends; found out about the hotel via a TV travel programme, magazine and newspaper

Customer 4: a couple, they find (new) rural hotels through the Internet

Customer 5: a family with one child; they are regular customers to rural hotels

In total 13 face-to-face interviews were conducted with stakeholders. The interviewees were experts (2 interviews), owners of small rural hotels (6 interviews), and their respective customers (1 interview each for 5 hotels[24]). The following table 6.4 presents an overview of the respondents.

Table 6.4: Respondents for semi structured interviews

Respondent	Role
Expert 1	Representative of the Taiwan Rural Hotels Development Association
Expert 2	Government representative from Taiwan Tourism Bureau; in charge of Taiwan rural hotel applications
Owner 1	Hualien, a retired couple: former teacher and stewardess
Owner 2	Hualien, a retired journalist
Owner 3	Nantow, retired couple, former business background with a lifelong dream to becoming farmers
Owner 4	Nantow, former architect changing to rural hotel business
Owner 5	Ilan, a tea farmer (i.e. rural hotel is on the tea farm)
Owner 6	Ilan, former carpenter and a housewife
Customer 1	A family with two kids, regular customers to rural hotels, found hotels over internet and word of mouth (friends)
Customer 2	A couple, found hotels through friends
Customer 3	A group of four good friends; found out about the hotel via TV, magazine and newspaper
Customer 4	A couple, found hotel through internet
Customer 5	A family with one child, regular customers

Source: Own extrapolation

[24] at one location customers were out on activities and not available for interviews

6.3.3. Interview questions and interview guidance sheet

The literature provides no explicit example of customer service attributes in Taiwanese rural hotels. Hence a literature search was conducted to identify studies that are relevant to the Taiwanese rural hotel. However, taking attributes from the international literature only bears the danger that attributes may be included that do not fit the specific research context (Hu et al., 2012). It is argued that the identification of customer service attributes should be accomplished by employing additional research methods. This is to avoid a bias in the attribute selection process and the final attribute list (Corning, 2002; Goldstein, 199; Mintzberg, 1973). In order to prevent some of the possible shortcomings and pitfalls that come with using customer service attributes from the literature only, 13 semi-structured interviews with key stakeholders are conducted. This should ensure that the customer service attributes are context specific and relevant. Interviews were held with customers, hotel owners/managers, and tourism experts. This section provides information pertaining to how the questions for those semi-structured interviews were derived at and why they were asked in the interviews.

The semi-structured interviews in this study were facilitated through the use of interview guidance sheets (see Appendix A). The semi-structured interview is flexible and open to enable participants to talk freely in their own language and using their own terms (Robson, 2002). Interviewees have the opportunity to include narrative accounts or to describe elements of their work that they perceive as distinctive or important (Dwyer, 2012; Robson, 2002). The interview questions are based on the literature review (for example Chen et al., 2013; Jones and Guan, 2012; Mak et al., 2012; Wu and Yang, 2010; Chi and Qu, 2009; Zane, 1997), a series of conversations with hotel owners, customers, experts in the field and research supervisors, as well as on the researcher' s professional

background in tourism as the general manager of the Eco-Tourism Society in Taiwan.

The main purpose of the semi-structured interview was to identify customer service attributes that apply to the Taiwanese rural hotel context. Accordingly all interviewees were asked what kind of customer service attributes they expect from / are offered at a Taiwanese rural hotel. The semi-structured interview method allowed to simply ask "what customer service attributes do you offer / expect to be offered at a Taiwanese rural hotel. However, when it was necessary interviewees were carefully guided through the interview and the question further explained. Hotel owner 5 for example was unfamiliar with the term 'customer service attribute'. While some guidance was given in the interviews care was taken to avoid imposing any a priori categorisations, terminologies or value sets (Malhotra and Birks, 2007).

Interviewees were asked between three to seven different questions, depending on their expertise and kind of information that was sought after (Expert 1: four questions; Expert 2: five questions; Owners 1-6: three questions; Customers 1-5: seven questions). Table 6.5 provides an overview of the interview questions, their keywords and references. This is followed by an explanation of how these interview questions were gathered and why they were selected for inclusion in the interviews.

Table 6.5: Sources of interview questions

Question	Keyword	Reference	Question directed mainly at[25]
a.)	which services should be offered	Hu et al., 2012; Parasuraman et al., 1988; Goldstein, 1999; Corning, 2002; Mintzberg, 1973	experts, owners, customers
b.)	history of rural hotel development	Wang, 2013; Tsai, 2007; Liu, 2010	expert 2
c.)	possible future development	Wang, 2013; Tsai, 2007; Liu, 2010	experts
d.)	challenges from a customer service perspective	Liu, 2010; Tsai, 2007	experts, owners
e.)	selection criteria	Chen et al., 2013	customers
f.)	motivation to stay	Jones and Guan, 2011; Zane, 1997	customers
g.)	role of food	Mak et al., 2012; Chang et al., 2011; Chang et al., 2010	customers
h.)	unforgettable experience	Torres and Kline, 2013	customers
i.)	other comments and suggestions	Dwyer, 2012; Robson, 2002; Goldstein, 1999; Corning, 2002; Mintzberg, 1973	experts, owners, customers

Source: Own Extrapolation

[25] This field indicates which group of people was considered most likely to be able to answer a particular question, and this person was definitely asked the particular question. Because the interviews were semi-structured interviews, the other interviewees may (or may not) have been asked the same question.

Justification of the interview questions

a.) How would you describe the typical Taiwanese rural hotel? What type and kind of customer service attributes should hotel owners offer and customers be able to expect? or respectively: What type and kind of customer service attributes do you provide and what do your customers expect?

This question was directed at experts, owners, and customers. The literature review identified a large number of customer service attributes, some of which may be more relevant to the Taiwanese rural hotel research setting than others. Because researchers have stressed the importance of "emergence" (for example Goldstein, 1999; Corning, 2002) and the importance of allowing the researcher to create a "new structure" as he goes along (for example Mintzberg, 1973) this open question on what kind of customer service attributes are offered, or what kind of customer service attributes should be offered respectively, was included in the interview guidance sheet. Hu et al. (2012) also stress that in order to acknowledge the specificity of a setting, such as the rural hotel, stakeholders should be asked directly what kind of services they offer. Because a large part of the literature on customer satisfaction and customer service attributes had been reviewed already upon commencement of the interviews the interviewer (i.e. the primary researcher) was able to guide interviewees, if necessary, to commonly occurring topics in the literature, such as Parasuraman et al's (1988) SERVQUAL, which includes the five dimensions tangibles, reliability, responsiveness, assurance, and empathy. Although the prime investigator, who conducted all interviews, is herself an expert in tourism development in Taiwan, due to her previous appointment as general manager of the Eco-Tourism Society in Taiwan, care was taken to remain objective. Where the investigator had a hunch on certain customer service attributes that would constitute a cultural dimension,

these dimensions were sought to be understood in the interview and backed up by experts. An example for this is attribute 13, "narration of rural hotel".

b.) What can you tell me about the history of Taiwanese rural hotels? and c.) How do you see the future development of Taiwanese rural hotels?

Question b.) was directed mainly at expert 2 and question c.) was directed mainly at the two experts. The phenomenon of the Taiwanese rural hotel is embedded in the development or rural tourism globally and the development of rural tourism in the Asia and the Pacific region, particularly in Taiwan. This suggests that the phenomenon rural tourism is to be seen in its wider context, economically and environmentally, and that it bears a historical component. While rural tourism has been discussed in the Western literature for more than a century (e.g. Knebel, 1960; Loschburg, 1977; Headland, 1994) it is a comparatively recent phenomenon in the Asia and the Pacific region. In connection with changes in the economy and in the agricultural industries, changes in international tourism and domestic tourism, rural tourism in the Asia and the Pacific region has undergone a noticeable development especially over the past three decades (Wang et al., 2013). However, there is still little information about the historical development of rural tourism in Taiwan, and in particular about the Taiwanese rural hotel. Tsai (2007) provides some information about the development of tourism orchards, leisure farms, and leisure agriculture in Taiwan. While in doing so he (Tsai, 2007) provides some interesting insight into rural tourism development in Taiwan, his discussions focus on policy development and a wider rural tourism development strategy, such as the "one-township-one tourism-area" development strategy or the combination of rural tourism development and community development models. Another contributor, Liu (2010), also discusses rural tourism development in Taiwan, but again from a policy perspective and focusing on issues such as investment, the preservation of historic sites, renewal of buildings, overall village attractiveness, infrastructure, or issues concerning

conflicts in land use. While the aforementioned issues are important, as yet there is no account in the literature that incorporates historical aspects of the Taiwanese rural hotel development from a customer service perspective. How did the Taiwanese rural hotel develop alongside the other changes in tourism over the past three decades; are there any important milestones, for example policy changes, that affect which kind of services or how they should be offered in Taiwanese rural hotels, and therefore constitute elements relevant to the present study? Accordingly a question on the history of Taiwanese rural hotels was included in the interview guidance sheet (this should also take into account possible cultural differences). Similarly, a question on the possible future development of the Taiwanese rural hotel was included.

d.) What are the biggest challenges operators of Taiwanese rural hotels may face in managing the hotel?

This question was directed mainly at experts and hotel owners. In the few literature sources available on the Taiwanese rural hotel both Liu (2010) and Tsai (2007) discuss problems and challenges in the rural tourism development in Taiwan. They do so mainly from a policy perspective and on a broader scale. As yet no information can be found in the literature about possible challenges at the "front line" and how hotel owners may be affected. In order to fill this potential gap in the literature it was therefore of interest in this research to bring in a customer service perspective and to investigate what challenges operators of Taiwanese rural hotels may face when running a rural hotel. This interest was also fostered through the professional experience of the researcher. In her role as general manager of the Eco-Tourism Society in Taiwan the prime investigator was part of the organising committee of the first information event for Taiwanese rural hotel providers. The event had a great reception and it became apparent that hotel owners had a number of issues and problems. Including this open question

should contribute to closing this gap in the literature and provide additional information on the research context.

e.) How and where did you find about and select the rural hotel? and f.) Why did you choose to stay at a rural hotel?

Question e.) and question f.) were both directed at customers. Because information relevant to marketing (for example Chen et al., 2013) and motivation to stay (for example Jones and Guan, 2011; Zane, 1997) is considered important in the customer satisfaction discourse in hospitality and tourism one question on each topic was included in the interviews with customers. This should provide relevant answer possibilities for the questionnaire.

g.) What role does food take in the services provided at the rural hotel? Do you expect anything in particular? (for example how many meals available or included, how much offer, local produce, booking required, nearby restaurants, etc.)

This question was directed at customers. Food is crucially important to Asian customer satisfaction (Mak et al., 2012; Chang et al., 2011; Chang et al., 2010). Accordingly, one interview question was included concerning 'food'.

h.) Can you tell me about an unforgettable experience you had at a Taiwanese rural hotel?

This question was mainly directed at customers. In order to find out about possible special characteristics of the Taiwanese rural hotel customers were asked if they had an 'unforgettable experience' connected to a visit at a rural hotel. The literature search identified various examples where studies on customer satisfaction and customer delight include narratives of special "unforgettable experiences", for example Torres and Kline (2013), who studied customer feedback letters of 4* hotels in the US. It seems that these "unforgettable experiences" are important in giving identity to a tourism business and finding out

what delights the customer (see also Magnini et al., 2011; Wu and Yang, 2010). Accordingly this question was included in the interview guidance sheet.

i.) Do you have any other comments or suggestions?

An open question was included to allow interviewees to include narrative accounts or to describe elements of their work that they perceive as distinctive or important (Dwyer, 2012; Robson, 2002). Open ended questions retain complexity, which is more realistic than linearity, and the principle of emergence is honoured (Corning, 2002; Goldstein, 1999; Mintzberg, 1973).

Because they facilitate the interview process, interview guidance sheets were prepared for each interview (Robson, 2002). They can be found in attachment A.

The literature review (in particular section 5.3, page 92-102) has critiqued contributions from other researchers for basing their investigations on customer service attributes that are merely derived from the literature (for example Ramanathan and Ramanathan, 2013; Su and Sun, 2007). Furthermore it was criticised that contributors often provide little or no information on how customer service attributes were identified, or if a specific research context was taken into consideration.

In addition it was stressed that key interest groups should be included in the attribute identification process; in particular, customers should be consulted for the identification of customer service attributes. This study addresses this gap in the literature by employing 13 semi-structured interviews with customers, hotel owners/managers, and tourism experts. Using semi-structured interviews with key stakeholders allowed the researcher to come up with a comprehensive list of authenticated questions with which the new phenomenon "Taiwanese rural hotel" can be evaluated. This research method, together with the applied content analysis, lead to 21 context specific customer service attributes that were

included in the questionnaire to measure customer satisfaction in rural hotels in Taiwan. This will be discussed in the next section.

6.3.4. Qualitative data analysis

In the qualitative part of this study semi structured interviews were used in order to identify context specific and relevant customer service attributes for the Taiwanese rural hotel. Because relying on one source of information for identifying customer service attributes alone might be problematical (for example Masadeh, 2012; Heimtun and Morgan, 2012; Pansiri, 2006; Pansiri, 2005; Downward and Mearman, 2004; Davies, 2003) interviewees were selected from all three main interest groups, rural hotel customers, rural hotel owners, and experts. In total 13 interviews were conducted with the key interest groups; two interviews with experts, six interviews with rural hotel owners, and five interviews with rural hotel customers. These data had to be analysed, and under which considerations and how this was done will be discussed in this section.

Approaches to qualitative data analysis are very diverse (Robson, 2002). Qualitative researchers have been reluctant to set out a simple set of criteria for judging the quality of qualitative data (Green et al., 2007). There is a perception that the methods for assessing these data are usually too complex to provide clear guidance (for example Spencer et al., 2003; Sandelowski and Barroso, 2003). Nevertheless there appear to be recurring features in the various approaches to qualitative data analysis (for example Green et al., 2007; Miles and Huberman, 1994) although this may be disguised through differing terminology. Miles and Huberman (1994) for example describe a 'classic set' of analytic moves which consists of giving codes to an initial set of data, adding comments and reflections, going through the material repeatedly in order to identify similar phrases, patterns, relationships or differences, taking these patterns back into the filed for a next wave of data collection, gradually elaborating a consistent set of generalisations, and linking these generalisations

back to a formalised body of knowledge. Green et al. (2007) suggest that data analysis involves four key steps: immersion in the collected data; coding; creating categories; and identification of themes.

The data analysis of the 13 key stakeholder interviews started with a data immersion process (Green et al., 2007) during the transcription of interviews and writing of interview-summaries to be verified by experts and hotel owners. This process was already accompanied by a search for consistencies, relationships, similarities or differences that could be coded and affixed to the data. Once the transcripts had been completed the data analysis process continued in an iterative way and consisted of reading and rereading transcripts and repeatedly listening to the original tape records. Marginal notes were made in the MS Word transcript and certain text passages highlighted. This process allowed a detailed examination of what had been said in interviews and stimulated a process of 'idea-incubation' (Green et al., 2007). It brought about clarity of the part played of interviewer and interviewee and laid the foundation for connecting disjointed elements to frame an understanding of the research phenomenon (Green et al., 2007).

Each of the 13 interviews was coded and lists of codes created. Coding was done in such a way that it was always possible to know to which interviewee a code belonged to. For this, each code consisted of three kinds of information:

- an initial, identifying which of the three interest groups an interviewee belonged to;
- a number, identifying which person of the interest group the code belonged to; and
- a consecutive number, distinguishing a code from within an interest group and the same responded from another.

Three initials were necessary, one for each of the three interest groups. E was chosen for Expert interviews, O was chosen for Owner interviews, and C was chosen for Customer interviews. The number identifying which person of an interest group was interviewed depended on the description of respondents in section 6.3.2 (see table 6.4). As there were two experts, the E for expert was followed by a 1 for Expert 1 or a 2 for Expert 2 respectively. The same applies to the other two groups, Owners (6 respondents) and Customers (5 respondents). This was then followed by an underline (_) and by a consecutive number, depending on how many codes were ascribed to a respondent. For example, the first code that was ascribed to Expert 1 in the coding process was E1_1. The second code that was ascribed to Expert 1 in the coding process was E1_2. The first code that was ascribed to Expert 2 in the coding process was E2_1. The second code that was ascribed to Expert 2 in the coding process was E2_2.

The coding process resulted in 42 expert codes (17 for Expert 1; 25 for Expert 2), 101 hotel owner codes (22 from owner 1; 13 from owner 2; 16 from owner 3; 21 from owner 4; 19 from owner 5; and 10 from owner 6), and 160 customer codes (35 from customer 1; 28 from customer 2; 34 from customer 3; 35 from customer 4; and 28 from customer 5). In total all 13 interviews together account for 303 interview codes. With consideration given to the context these codes epitomised what the interviewee was saying in a single or a few words. Codes include things such as 'at home' (E1_1), 'personal touch' (E1_2), 'local features (spectacular views, nature trails, wildlife, fresh air)' (E1_3), 'clean' (E1_15), 'friend' (E1_16), or 'location (E1_17). As more information was discovered from the transcripts, codes sometimes had to be altered, renamed, or deleted. Earlier codes were revisited and considerations made in connection to the research objectives and overall research question. This first set of data fragmentation provided a useful first insight into the phenomenon under study. However, in order to gain a deeper understanding of how codes may relate to each other and to make a stronger

connection to the research aim and objectives, a second data fragmentation process was required.

In the second data fragmentation process these 303 interview codes were grouped into categories in a step-by-step process. The development of codes into service attributes for the Taiwanese rural hotel followed common principles in developing categories from codes (Dwyer, 2012; Green et al., 2007; Weber, 1983; Holsti, 1969). Care was taken that the service attributes are exhaustive (i.e. an attribute for every relevant item from the data) and independent (i.e. assignment of any recording unit into a single category does not affect classification of other data units) (Holsti, 1969). The emerging categories were continuously checked for their consistency. For example, if a category had been proposed and later in the transcript another code seemed to fit the attribute the earlier codes and the contextual information relevant to the code were revisited to make sure that they would actually fit into the same category. This step-by-step categorisation process is described next.

First, the two list of codes from the expert interviews were compared with each other. Similar codes, such as E1_1 (at home), E1_13 (basic and comfortable room), E2_1 (second home), E2_2 (dream home), and E2_13 (comfortable) were merged into the expert category "comfort". This process was continued until all 42 expert interview codes had been ascribed to at least one category. This resulted in a set of 17 preliminary expert categories. Of these 17 preliminary expert categories 13 came out of a merger of codes from expert 1 and expert 2. Four codes from expert 2 could not be merged with expert 1 codes and these four codes formed "stand-alone categories". They were retained to be supported or rejected in the subsequent analysis that incorporated the codes from the other two groups of interviews, owners and customers.

Second, the owner interview codes were integrated in the categorisation process. The 17 preliminary expert categories were confronted with the 101 owner codes.

It was checked if and where owner codes would fit an existing expert category, or if a new category had to be created. For example, owner code O2_7 (sightseeing tour) was merged with owner code O6_8 (help customers arrange several activities: whale watching, paragliding), and these two codes were ascribed to the preliminary expert category "local sightseeing consultation". This was continued until all 101 owner interview codes had been ascribed to at least one category. Incorporating the owner codes resulted in three things: a.) owner codes could be ascribed to 16 out of the 17 preliminary expert categories, hence 16 out of the 17 preliminary expert categories were retained; b.) owner codes concerning food showed that the preliminary expert category "provide tasty food" had to be split into more detailed categories. This resulted in the replacement of the preliminary expert category "provide tasty food" into three new categories "breakfast provided", "feature of food", and "selection of food"; c.) Two owner codes, code O1_6 "privacy space" and code O5_16 "reservation system" could not be ascribed to existing preliminary expert codes. Therefore this lead to the creation of two new preliminary owner codes, "privacy space" and "reservation system". Moreover, "security", one of the stand-alone expert categories, remained to be a stand-alone category and was retained. In total there were now 21 preliminary expert-owner categories.

Third, the customer interview codes were integrated in the categorisation process. The 21 preliminary expert-owner categories were confronted with the 160 customer codes. It was checked if and where customer codes would fit an existing expert-owner category, or if a new category had to be created. For example, four customers mentioned "near interesting spots". The codes describing this (C1_24, C2_24, C3_24, C4_24) were all ascribed to the preliminary expert-owner category "location". This was continued until all 160 customer interview codes had been ascribed to at least one category. In the end this resulted in 21 final expert-owner-customer categories, or 21 customer service attributes.

Interview data and the emerging attributes were consistently checked with the customer service literature. This process was oriented towards the applied content analysis approach (see for example Dwyer et al., 2012). The application of content analysis to tourism found acceptance especially in the areas of destination image, tourism promotion, and, most recently, customer experiences and satisfaction (Dwyer et al., 2012). It is often used at preliminary stages of the research, for example for questionnaire development (Poria et al., 2006). Content analysis examines patterns and structures. It singles out key features, develops categories and aggregates them into perceptible constructs in order to seize meaning of communications (Gray and Densten, 1998). It is an approach that has also been used in related studies in Taiwan, such as Su's (2004) study on customer satisfaction in Taiwanese hotels. Su (2004) employed the applied content analysis approach in order to identify common attributes on guest comment cards in hotels in Taiwan. Su's (2004) approach was based on Gilbert and Horsnell (1998), who used applied content analysis to analyse guest comment cards in middle to luxury level hotels in the UK. The customer service attribute list from the literature (which was presented in section 3.4 table 3.2) was used like a checklist for external appraisal of service attributes that emerged from the interviews (Dwyer, 2012; Su, 2004).

In the end this resulted in 21 customer service attributes for the Taiwanese rural hotel. Of those 21 customer service attributes, 16 resulted out of a merger from codes from all three interview groups (experts, owners, customers). Attribute 4 (privacy space) was not mentioned by experts, attribute 7 (reservation system) was not mentioned by experts, attribute 11 (selection of food) was not mentioned by customers, attribute 17 (convenience of parking) was not mentioned by customers, and attribute 20 (security) was only mentioned by expert 2. This build-up of customer service attributes is exemplified in tables that are included throughout chapter 7. Although these attributes were thoroughly selected it was decided to further check the validity of these attributes with a representative

sample and using a questionnaire. This will be discussed in the next section on the quantitative part of this research.

6.4. Quantitative research

6.4.1. Self-administered questionnaire

Questionnaires are considered a relatively simple and straightforward approach to the study of attitudes, values, beliefs and motives (Robson, 2002) and they are frequently used in hospitality and tourism studies. Questionnaires commonly come in three ways, self-completion, face to face interview, or telephone interview (Robson, 2002) although the online questionnaire seems to have gained popularity over the past decade or so (see for example Pinder, 2004). In self-administered questionnaires respondents have to read through and answer each question by themselves. Accordingly the research instrument has to be easy to follow and the wording of questions and answers needs to be unambiguous and easy to understand (Bryman, 2004). In addition Yuksel and Yuksel (2001b:106) remark that measuring instruments should not be over-theorised, complex and costly that require substantial statistical knowledge. They (ibid, 2001b) suggest that questionnaires should be relevant to customers. Moreover consideration should be given to time and efforts needed by respondents to complete a questionnaire as these are factors likely to influence the response rate (Homans, 1961). Similarly Paxon (1995) suggests keeping the number of questions at a minimum. To achieve high return rates the questionnaire should be attractive for the respondent to complete and constructed in a way that accurate answers are given and misunderstandings eliminated (Newell, 2008).

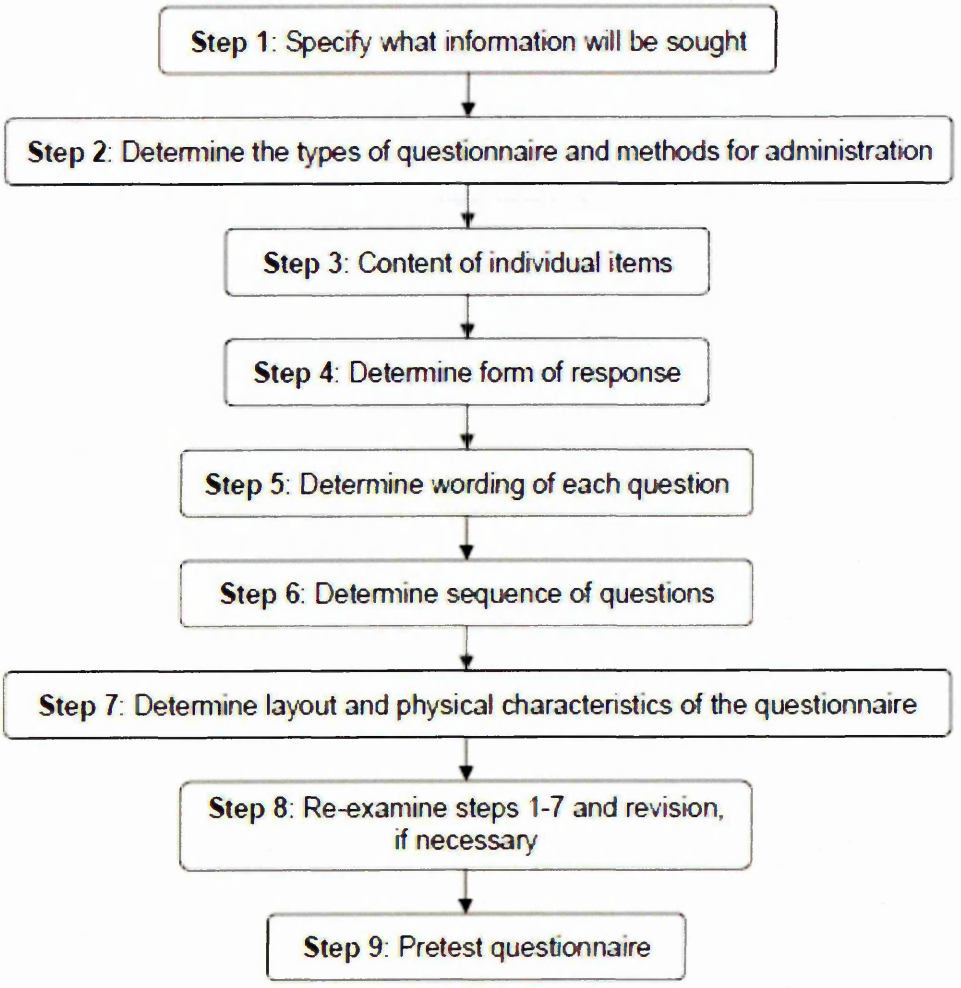
This present study used a self-administered questionnaire with the aim to test the validity of the 21 customer service attributes for the Taiwanese rural hotel and to

measure customers' expectations and perceptions of the Taiwanese rural hotel. The design of the questionnaire will be discussed in the next section.

6.4.2. Questionnaire design

The questionnaire design was oriented towards recommendations on basic design principles for questionnaires as found in the literature (for example Newell, 2008; Bryman, 2004; Robson, 2002; Thietart, 2001; Vaus, 1991). The final composition of the instrument largely followed Churchill and Iacobucci's (2002) notion of nine steps in the development of questionnaires. These include (1) specifying what information is being sought after (see aims and objectives, page 4), (2) determining the type of questionnaire used (semi-structured), (3) determining the content of individual items (see sections A-D), (4) determining the form of response (multiple choice, Likert scale, and open questions), (5) determining the wording for each question, (6) determining the sequence of each question, (7) determining layout and physical characteristics of the questionnaire, (8) re-examining steps 1-7 and revising it if necessary, and (9) pre-testing the questionnaire. This is exemplified in figure 6.2.

Figure 6.2: Nine steps of questionnaire development



Source: Churchill and Iacobucci (2002)

The final questionnaire instrument consisted of a cover letter and four sections A, B, C, and D. Customers were asked to fill in sections A and B at check in and sections C and D at check out.

The cover letter: The cover letter is the first impression the respondent gets from the research and the researcher and is an important basis on which customers decide whether or not to proceed in filling in the questionnaire (Veal, 1997). The cover letter quickly circumscribed the research and asked participants for their help in filling in one questionnaire. It contained important instructions on how to correctly complete the questionnaire. The purpose of the study and the analysis methods to be employed later made it necessary to obtain customers' opinions on service attributes at two points in time, their expectations of services at check in and the perceived service performance at check out. Hence the cover letter emphasised that respondents must fill in sections A and B prior to their stay and sections C and D after their stay. The cover letter stressed anonymity of participants assured respondents strict confidentiality. It closed with thanking respondents for their participation and provided contact details of the student.

Section A – Customer profiles: Section A obtained information on the customers' profile. This included question A.1 on gender, question A.2 on customer's age, question A.3 on how they chose the rural hotel, and question A.4 on the length of their stay. Respondents were given the option of multiple choice tick boxes in questions A.1 to A.3 and could fill in the length of stay in a blank field by themselves in question A.4.

The selection of age group categorisations in A.2 followed previous research in Taiwan that used the same categorisation, for example on domestic tourist travel in Taiwan (Taiwan Tourism Bureau, 2012), service quality measurement of mobile application stores in Taiwan (Yang et al., 2011), or patient satisfaction in Taiwan (Hu et al., 2010).

Sections B and C – Customers' expectations and perceptions: Sections B and C aimed to measure customers' expectation and perception respectively. Expectation and perception were measured against the earlier identified 21 customer service attributes and using a five point Likert scale. Likert scales

require respondents to indicate a degree of agreement or disagreement with each of a series of statements. Likert scales are easy to construct and administer and are usually easily understood (Hawkins, 1994). Moreover Likert scales are widely used in a process improvement context (for example Simon et al., 1997). It was important that customers filled in section B at the very arrival at the hotel during their check in so that their 'original' expectations could be captured before they were being influenced (too much) by the hotel service environment. Accordingly respondents were asked in the questionnaire instructions on page one of the questionnaire to fill in sections A and B during the check in period. In section B respondents were asked to rate their expectation of each of the 21 customer service attribute by circling one number, 5 (very important), 4 (important), 3 (neither important nor unimportant), 2 (unimportant), or 1 (very unimportant). At the end of section B was a note that the first part of the questionnaire was now completed and that subsequent sections should be filled in after their stay. Accordingly section C was to be filled in after their stay and during check out. Section C asked respondents to rate their perception of each of the 21 customer service attributes by circling one number, 5 (very satisfied), 4 (satisfied), 3 (neither satisfied nor unsatisfied), 2 (unsatisfied), or 1 (very unsatisfied).

Section D – Additional questions: Section D completed the questionnaire with five additional questions. Question D.1 asked customers about their overall satisfaction with services during their stay, again with possible answers ranging on a five point scale from very satisfied to very unsatisfied. Question D.2 inquired if they would like to stay at a rural hotel again in the future, using a five point Likert scale such as in sections B and C, with answers ranging from 'definitely would' to 'definitely not'. In addition section D contained three open questions D.3 – D.5. The use of open questions allowed respondents to add any specific comments not addressed directly within the questionnaire, such as best service attributes (question D.3), worst service attributes (question D.4), or areas they considered priorities for improvement (question D.5).

With completion of section D the questionnaire was now completed. This was indicated by a short "Thank You" note at the end of section D and the questionnaire.

6.4.3. Piloting of questionnaire

Various authors stress the importance of piloting a questionnaire before its final implementation (for example Saunders et al., 2007; Yin, 2003; Robson, 2002) and for various reasons. The purpose of the pilot study in the present study was to assist the researcher in refining formulation, content, and formatting of the instrument. In the first stages of questionnaire development the researcher asked befriended practitioners, experts, as well as academics to review the wording and the comprehensibility of the questions and accuracy of the provided answer possibilities. This resulted in minor changes of formulations. Academics reiterated inclusion of question D.1 on the overall satisfaction of customers as this presents a useful additional variable.

A second stage of piloting used respondents from the group of interest (Robson, 2002) and was conducted to test the internal consistency of the questionnaire. The survey instrument was distributed to 30 randomly selected customers of Taiwanese rural hotels and questionnaires were completed in a face to face interview situation. These questionnaires were used for a reliability analysis using Cronbach alpha. Reliability is an assessment of degree for consistence between multiple measurements of a variable (Hair et al., 2006). The results of the reliability analysis with a Cronbach alpha value of 0.72 indicated a good internal reliability (for example Ryan, 1995; Nunnally and Bernstein, 1994). In addition respondents suggested that the four page questionnaire was to be printed on two pages only (i.e. multiple page printing layout). Accordingly the final questionnaire consisted of only two pages, with the cover letter and section A on the left, and section B on the right, all to be filled in at check in, and a second page with the subsequent sections C and D. It was assumed that this created a higher

acceptance rate amongst customers who did not want to spend a long time in filling in questionnaires.

6.4.4. Sampling

Since the design of this study is largely exploratory a non-probability approach to sampling (see for example Bryman, 2004; Robson, 2002) was adopted in the forms of judgement (i.e. a form of convenience) sampling. Judgment sampling is a common non-probability method. The researcher selects the sample based on judgment. This is usually and extension of convenience sampling. In this form of non-probability sampling a researcher may decide to draw the entire sample from one "representative" area even though the population includes all rural hotels (Robson, 2002). When using this method, the researcher must be confident that the chosen sample is truly representative of the entire population. For the present study small rural hotels were selected from the three states Hualien, Yilan, and Nantow, which have the highest density of rural hotels in Taiwan, as a "representative" sample for the entire population of rural hotels in Taiwan in a random manner.

The research population comprises rural hotels in the three counties Hualien, Yilan, and Nantow, which had a total population of 1,381 rural hotels in 2008 (Taiwan Tourism Bureau, 2013b). Anecdotal evidence and observations by the researcher suggest that 'rural hotels' are not always in rural areas, although regulations for rural hotels in Taiwan (Tourism Bureau, 2003) state that 'rural hotels' should be in 'non-urban areas'. Accordingly the researcher ensured that the 'rural hotels' included in this study were indeed in rural areas. Fifty rural hotels were approached by the researcher in person in the three counties. A total of 38 hotels agreed to participate in the study.

Hotel owners were handed over a set of questionnaires and were advised on how to distribute and collect questionnaires, as well as on how to instruct customers

in filling in questionnaires. The questionnaires were distributed during the festive season (popular travel period) around the Chinese New Year and over forty consecutive days, including five weekends. Hotel owners handed over questionnaires in person to customers upon arrival and collected them at check-out. The researcher then collected the completed questionnaires from each hotel. In total 1,500 questionnaires were distributed, of which 1,161 were completed and usable and returned to the researcher. This is equivalent to a return rate of 77.4 percent (i.e. 100 percent of the 1,161 returned questionnaires were complete and usable).

Considering the fact that no incentives were provided to encourage customers to participate in the study this can be considered a high return rate (for example Dwyer et al., 2012). There is no empirical explanation why the return rate is so high. However, the researcher speculates that the high return rate is an indication of one of the defining characteristics of Taiwanese rural hotels. Taiwanese rural hotel owners strive to have a "friendship-like" relationship with their customers. It is conceivable that this good relationship increases the chance that customers, when approached, participate in the study. An explanation why hotel owners agreed to participate in the study and handed over questionnaires to their customers may be that they have a real interest in improving the customer experience. As there is little guidance and information available from the Taiwanese government they might have seen participation in this study as an opportunity for getting some feedback on the services they provide. The researcher's professional background (at the Eco Tourism Society in Taiwan) and the fact that she is a doctoral student from an overseas University may have further positively influenced hotel owners' decision to participate in the study. In informal talks with rural hotel owners it also turned out that some of them considered the availability of a customer satisfaction questionnaire at their hotel as appearing 'professional' to customers. Accordingly they welcomed the opportunity to use a questionnaire that was developed by a University student.

6.4.5. Quantitative data analysis

In addition to employing various measurement techniques for customer satisfaction various statistical approaches have been employed to test data validity of these four methods. The questionnaire data were quantitatively analysed using a variety of multivariate analysis techniques. Simple frequencies (Saunders et al., 2007) were used in order to analyse variables concerning customer characteristics (Section A), customer expectations (section B), customer perceptions of performance (section C), and additional data (section D). In order to verify reliability and construct validity of the questionnaire a factor analysis (Hair et al., 2006) was conducted computing the Cronbach alpha for each dimension. Reliability (internal consistency of the importance service attributes, i.e. section B of the questionnaire, and internal consistency of the satisfaction service attributes respectively, i.e. section C), convergent validity (scales with overall satisfaction as determined in section D as well as scales with intention to return as identified in section D), and predictive validity (overall satisfaction with intention to return, both identified through section D in the questionnaire) were calculated. These findings are presented in section 8.3.1 in the quantitative findings chapter.

Kaiser-Meyer-Olkin (KMO) tests and Bartlett Sphericity tests were conducted to show the inter-correlations between the 21 customer service attributes. These findings are presented in section 8.3.2. The perceived performance of the 21 service attributes was factor-analysed using principal component analysis with orthogonal varimax rotation in order to identify the underlying dimensions or hotel factors. This resulted in five dimensions or factors and these findings are presented in section 8.3.3 in the quantitative findings chapter.

Finally, a linear regression (for example Saunders et al., 2007; Bryman, 2004) was used in order to examine relationships between overall satisfaction and

return intention as identified in section D of the questionnaire. This is presented in section 8.3.5 of the quantitative findings chapter.

The software packages used were SPSS 12 for MS Windows and MS Excel for Windows.

6.5. Linguistic and cultural issues

As this study was conducted in Taiwan one major element was the translation of data from Mandarin and Taiwanese into English. The researcher, an experienced interpreter and translator from Mandarin into English in an academic tourism and hospitality context (e.g. as general manager of the Eco-Tourism Society in Taiwan prior to enrolling at Sheffield Hallam University for a PhD programme, or as interpreter and translator for her supervisor Dr. Kevin Nield in his role as a visiting professor in Taiwan during the conduction of this research), performed the translations. This section will briefly discuss issues related to translation in regard to defining the Taiwanese rural hotel, qualitative data, composing the questionnaire, and quantitative data.

The first challenge was to find a term that would adequately describe the research phenomenon in English. The Mandarin literature uses a number of terms to describe small and privately owned accommodations, most commonly the term 'min su', which literally translated means 'personal accommodation'. This term is also used in the official documentation from the Taiwan Tourism Bureau (2013b) which regulates the management of 'min su' (Taiwan Tourism Bureau, 2013b). However while 'min su' does cover the 'Taiwanese rural hotel' it is a rather generic term that refers to all kinds of small accommodations, regardless of location and services offered. As this thesis is especially concerned with the phenomenon of the increase of small and independently owned accommodations in rural areas,

possibly together with the transformation of agricultural land into land used for tourist activities, it was deemed necessary to make a semantic differentiation between such establishments in rural areas and urban areas. This meant introducing a new term in English, describing a phenomenon in a Taiwanese context that is not clearly distinguished in the Mandarin or English literature.

This term was determined by the researcher as the 'Taiwanese rural hotel'. In the determination of this new term 'Taiwanese rural hotel' several related terms in English, such as B&B, home stay, or pension, as well as terms in Mandarin and Taiwanese were considered. However, they were ultimately rejected because they did not adequately describe the research phenomenon. A new term was introduced to minimise ambiguity and to allow the definition of the Taiwanese rural hotel to evolve in the specific research context by using original data. For example the popular English term B&B was avoided because not all 'min su' offer breakfast. A new term should also pay tribute to the supposed 'originality' of this type of accommodation in rural areas in Taiwan. The 21 customer services attributes identified in this study imply that a Taiwanese rural hotel is not simply a 'British B&B in Taiwan' but a product with a character of its own.

It should be noted however that recent developments show an increasing use of English terms such as 'B&B' and 'Home Stay' by Taiwanese rural hotel owners themselves, probably in an attempt to give their establishments more of an 'international flair'. The hotels in which the present study was conducted and which are referred to as 'Taiwanese rural hotels' may however be referred to by hotel owners, guests, and experts as anything from 'min su', to 'B&B', 'Home Stay' or 'hotel', to name just a few. The term 'Taiwanese rural hotel' is a conceptual term for the present study and the definition presented in this study, together with the list and description of 21 customer service attributes, the characteristics of hotel customers, as well as customer satisfaction in Taiwanese rural hotels may serve as a framework that other researchers with an interest in small and

independently owned accommodations in rural areas in Taiwan may want to consider in structuring their inquiries. It is hoped that the detailed information on the Taiwanese rural hotel provided in this thesis will also facilitate comparison with establishments in other countries and / or other contexts. At the conclusion of this study in 2012 no term had been introduced in the Mandarin literature to differentiate the 'Taiwanese rural hotel' from any other type of accommodation in Taiwan and as yet the terms 'min su' and 'Home Stay' are being used.

Semi-structured interviews were conducted in Mandarin and Taiwanese. Therefore a second challenge from a language perspective was to decide whether to analyse data first and then translate results, or to translate data first into English and then analyse it. There are probably good arguments for both. For example, translating data before analysis would allow for more guidance from supervisors and peers. If data is not in English it cannot easily be sent to supervisors to ask them for guidance when one is stuck in the analysing process. Not translating data into English also makes it more difficult, at first, to relate emerging categories and themes with the international hospitality and tourism literature. However, after careful consideration of various advantages and disadvantages that come with each method, it was decided to analyse data first and then to translate results into English. There are several reasons for this. For example Taiwanese people often use proverbs in Mandarin, or they use certain terms that only exist in Taiwanese. These expressions give information about a special context. If taken out of context or translated word for word some of the underlying meaning of a message would be lost and hence introduce 'translation bias' to the research.

Different languages also use different terms that could be easily misinterpreted once they are translated. For example the Mandarin 'hai hao' literally translated means 'enough good', which could be further translated into 'O.K.' However Taiwanese people, who are known for their politeness, are very reluctant to

criticise and would use 'hai hao' to express that, in fact, they are not happy. A more correct translation would be something like 'so-so'. The Taiwanese 'ma ma hu hu', which literally means 'horse horse tiger tiger', would be best translated as 'not bad'. The author, a native speaker in Mandarin and Taiwanese, does of course know how to rightly translate and indeed interpret information at the point of translation. However, considering the amount of data and the nature of qualitative data analysis, which aims to allow categories and themes to emerge from the (original) data, there is an inherent danger to become inconsistent in translation and ultimately manipulating data more than necessary. The danger when translating bits of data first is that the researcher might translate one and the same word or phrase differently on different occasions – for example because she doesn't remember that the phrase, which does not have one 'standard dictionary translation', was already translated differently earlier.

Another reason for analysing data before translating it from Mandarin into English relates to grammatical differences, especially the different sentence structure, of the two languages. As interviews were recorded and transcribed in Mandarin and all field notes were taken in Mandarin it was this raw data that was continually consulted during the analysis process. It was decided that analysing data in its original context and meaning was likely to result in a more consistent way of working and that this would ensure a more honest reflection of the situation and of interviewees' replies.

Once the qualitative data had been analysed and the 21 customer service attributes had been identified appropriate English terms had to be found for them. In some instances this was a rather straight forward task, for example in attribute 1 'cleanliness', attribute 7 'reservation system', or attribute 8 'shuttle service'. However, considering the Taiwanese context there were also some service attributes which were more difficult to translate, and new terms had to be introduced, such as attribute 13 'narration of rural hotel'.

As the questionnaire was distributed in three Taiwanese counties the customer satisfaction questionnaire was also in Mandarin. The questionnaire was coded for SPSS in English and using a five point Likert scale. At completion of the data collection process the Mandarin multiple-choice answers were translated into English and then fed into SPSS. Open questions were first analysed in Mandarin and the results were later translated into English. For the entire analysis and sense-making process the original files in Mandarin were kept at hand and were consulted to check reliability of translations and to avoid translation bias.

6.6. Research ethics

The ultimate purpose of research in the social sciences is to find truth (Robson, 2002; Silverman, 2000). What can be reported about truth is the 'truth' as perceived by the researcher, and this should be done in an honest and truthful way. In order for research to illustrate some truth about tourist behaviour it requires the researcher to be thorough, exhaustive, methodical, imaginative, emphatic, informed, decisive, and communicative (Ryan, 1995). It has been argued that ethics and integrity is the crucial virtue that allows researchers to make a valuable contribution to knowledge. Without ethics and integrity all of the above virtues are worthless (Ryan, 1995). Ethical considerations must be present in all research, for example in regard to honesty and plagiarism (Veal, 1997). Ethics become even more important when humans are involved and when the rights of research participants have to be understood, respected, and protected (Silverman, 2000).

Careless research design, data collection, analysis and interpretation can be construed by itself as being unethical. Therefore ethical considerations were of utmost concern throughout the study. This started with basic methodological questions, such as suggested in Ryan (1995), 'why do I want this information',

'why is it important', 'if it is important who and how do I ask about it', and 'if it is important when do I ask it'. Accordingly the researcher carefully selected research methods appropriate to the nature of the research problem, defined an appropriate sample, designed an appropriate study and rigorously implemented the research design (Ryan, 1995).

Real world research (Robson, 2002) can lead to situations where the researcher finds out about practices or conduct which present ethical dilemmas, such as illegal or unlawful activities. A relevant issue in this context is the high number of illegal rural hotels. In order to avoid any ethical conflict only legal rural hotels were included in this study. In order to assure a hotel was legal the researcher asked research participants for the official rural hotel registration certificate (Taiwan Tourism Bureau, 2013b).

Robson (2002) points out that respondents of a study, although not acting illegal or unlawful, may be concerned with what and how findings are reported, how they appear in the study, and if there may be any conflicting interests. In the qualitative part of the study experts, owners, and customers were informed about the background and purpose of the study. All participants were free to participate in the study, to answer certain questions or not, or to withdraw from the study at any time. Permission to tape record interviews was obtained and all recorded material and transcripts were kept confidential. Hotel owners and customers were granted full anonymity and cannot be identified in this study. Somebody with knowledge of the topic, the timeframe of the study, and knowledge of Mandarin, may possibly identify the identity of the two experts that were consulted in this research. This issue was raised with the experts. Both of them reassured the researcher that they were happy to participate in the study, whether or not their identity might be revealed. Dealing with ethical issues is probably easier to accomplish in quantitative studies such as surveys and questionnaires (for example Robson, 2002). In the quantitative part of the study respondents were informed on the front

page of the questionnaire that their participation was voluntary, anonymous and that all data will be treated confidential.

Throughout this study all effort was made to work ethically, to inform participants about the study, and to be thorough and honest in the interpretation of data and presentation of findings.

6.7. Summary

This chapter began with a discussion of different approaches to and considerations in social sciences research. It then presented pragmatism as a way for gaining 'new understanding' (Morgan, 1983) and how this philosophical approach may be combined with multi strategy research. The research strategy was set forth in using both qualitative and quantitative methodologies, semi-structured interviews and a self-administered questionnaire. This chapter provided details on the construct of these research tools and their suitability for answering the research question. Detailed information was provided on respondent selection using purposive and snowball sampling, the interview guidance sheet, and how customer service attributes were identified using literature review, applied content analysis and semi-structured interviews. These customer service attributes are the core element of the questionnaire. Questionnaire design was discussed and the various elements of the research instrument explained, how the questionnaire was piloted and sampled, as well as conducting quantitative analysis and employing various statistical approaches. This chapter also discussed issues regarding analysis and translation of data from Mandarin and Taiwanese into English as well as ethical issues that had to be considered in conducting this study.

The next two chapters will present the analysis and findings of putting this research strategy into practice, with chapter 7 on the qualitative and chapter 8 on the quantitative part of this study. Chapter 9 then uses this information as a basis for discussion of the results, conclusion, and pointing out areas for future research.

CHAPTER 7: CUSTOMER SERVICE ATTRIBUTES IN TAIWANESE RURAL HOTELS

7.1. Introduction

The literature provides no explicit example of customer service attributes in Taiwanese rural hotels. It has been discussed that customer service attributes are context specific and that identifying attributes from secondary sources only bears certain dangers and pitfalls. In order to avoid these the present study set out to investigate what kind of customer service attributes are offered in Taiwanese rural hotels and which attributes should be included in an authoritative customer satisfaction measurement tool for Taiwanese rural hotels. The previous chapters have presented a basis and rationale for the chosen research approach and identifying customer service attributes through 13 semi-structured interviews with the three key interest groups customers, hotel owners, and experts (a total of 24 people were interviewed). This chapter presents the findings and analysis of those interviews.

Interview findings and analysis are presented for each key interest group and interview, before findings are merged into one coherent account of the Taiwanese rural hotel. Following this introduction, section 7.2 introduces the experts' perspectives on the Taiwanese rural hotel. Section 7.2.1 provides background information pertaining to the Taiwanese rural hotel based on two expert interviews and section 7.2.2 presents the Taiwanese rural hotel guest experience according to experts. Section 7.2.3 is an analysis and synthesis of the expert interview codes. Section 7.3 introduces the rural hotel owners' perspectives on the Taiwanese rural hotel. Section 7.3.1 presents the Taiwanese rural hotel guest experience according to hotel owners, based on six interviews with hotel owners. Section 7.3.2 presents analysis and synthesis of hotel owner codes derived from

the six interviews with the expert categories from section 7.2, this building up the table of preliminary customer service attributes. Section 7.4 introduces the customers' perspectives on the Taiwanese rural hotel. Section 7.4.1 presents the Taiwanese rural hotel guest experience based on five customer interviews. Section 7.4.2 then presents analysis and synthesis of customer codes with the preliminary expert (7.2) and owner (7.3) experiences. Section 7.5 presents the complete list of 21 customer service attributes. It provides an overview of customer service attributes and their respective codes. Because the literature has been critiqued for often not including adequate descriptions of customer service attributes, section 7.5 includes a paragraph of description for each of the 21 customer service attributes. The chapter closes with a discussion of the results in section 7.6.

7.2. Experts' perspectives on the Taiwanese rural hotel

Two experts were interviewed for this study. Expert 1 is a representative of the Taiwan Rural Hotels Development Association and Expert 2 is a government representative from the Taiwan Tourism Bureau and in charge of Taiwan rural hotel applications. The semi structured interview questions to experts were oriented towards the following four topics (see also Appendix A for the interview guidance sheet):

1. The history of Taiwanese rural hotels
2. Customer service attributes of Taiwanese rural hotels
3. Challenges operators of Taiwanese rural hotels may face in managing the hotel
4. The future development of Taiwanese rural hotels

7.2.1. Background information on the Taiwanese rural hotel based on expert interviews

Expert 2 explained that the rural hotel as such had started around the year of 1980. The rural hotel had sprung up as a consequence of room shortage in the big established hotels. In the very beginning of room shortage at hotels it had become common practice, especially around the high seasons, that private individuals went to train stations, hotels, or other tourist hot spots to 'pick up' possible customers from the streets (a procedure that can still be seen in some parts of Taiwan today). These private individuals could only offer their personal guest room, if they had one, sometimes even only their personal bedroom, in which case the owner slept on the sofa in the living room. This of course was a 'service' with little amenities and comfort for customers. Although from a tourist perspective this is a situation that cannot endure it took the government quite some time to respond to this. According to Expert 2 the (then still largely communist influenced) government just did not yet see tourism as a potentially important part of the country's overall industry and did not foster development of new and additional hotels and did not issue any regulations on small rural hotels. As a consequence private individuals continued to offer their services to customers, however they did so on illegal grounds. This situation endured until the end of 2002 when the then Green Party government finally issued a policy on the regulation of Taiwanese rural hotels in December 2002 (Taiwan Tourism Bureau, 2013b). This presented a first opportunity for the Taiwanese to offer guest rooms or small guest houses on a legal basis. The number of legal hotels in January 2003 was only 65 hotels and the number of illegal hotels was estimated at 535 hotels. The new regulation furthered the development of rural hotels and the number grew substantially to 2,353 hotels by 2008. This new environment meant a greater diversity of hotel owners, increasing diversity of hotels, increasing competition, as well as stronger involvement of the 'rural lifestyle experience'. Inherent with this development is the opportunity to support

local communities with legal means, more attention to culture and local products. Despite the new policy Expert 1 criticised that the policy was not sufficient. Especially there were no consequences for owners who did not register their hotel with the local government and continued to run an illegal service. The local governments did not exert enough controlling functions. This development did not allow development of a stable market with a standard quality across the rural hotel sector.

Expert 2 was mainly in charge of applications for Taiwanese rural hotels and provided information on the legal issues regarding those accommodations. Expert 2 described the process of how an individual may apply to becoming a legal operator of a Taiwanese rural hotel. Applicants need to fill in an online application form which Expert 2 then compares with the requirements set out in the "Regulations for the Management of Home Stay Facilities" (Tourism Bureau, 2011). In case all requirements are met Expert 2 would arrange for several contractors, for example regarding construction, fire regulations, or use of land, to inspect the site. After positive approval of inspectors a fee of NTD 1,000 (approximately GBP 22) is payable to the Taiwan Tourism Bureau and the applicant is officially approved to run a rural hotel. The new hotel owner receives a certificate and the official logo, which he is required to place visibly at the hotel entry.

7.2.2. The Taiwanese rural hotel guest experience according to experts

Expert 1 described the rural hotel as a place where customers should feel warmly welcomed, "at home" as he said, and where the personal touch should become evident in every single aspect of the services provided. Hotel owners should be able to identify their strengths, making use of local features which may include a spectacular view, nature trails, wildlife, or fresh air. Accordingly it would be necessary for hotel owners to be knowledgeable about the area, making it

possible for them to, for example, plan and/or guide tours in the area. Visitors to rural hotels should not just come and stay overnight, they should spend most of their time in the close vicinity of the hotel, finding out about the local amenities and be shown the local 'secret spots' which usually remain unknown to tourists. In this way rural hotels should create a niche for themselves in the accommodation sector and differentiate themselves from high end five star hotels in more congested and polluted areas. Accordingly rural hotels should not focus on providing magnificent rooms with expensive interior and design but should provide basic and comfortable rooms. These however should be provided to a good standard, i.e. he stressed the need for these facilities to be clean. The added value of rural hotels would come through the personal service and attention given to customers, where the customer would be considered as a friend (with whom one can share the secret of 'a secret spot' for example) and may become a return customer.

From the interview with Expert 1 a total of 17 initial codes were derived. These codes are: "at home" (E1_1), "personal touch" (E1_2), "local features (spectacular views, nature trails, wildlife, fresh air)" (E1_3), "knowledge about area" (E1_4), "plan tour" (E1_5), "guide tour" (E1_6), "close vicinity activities" (E1_7), "local amenities" (E1_8), "local secret spots" (E1_9), "niche" (E1_10), "differentiate themselves" (E1_11), "no focus on facilities/design" (E1_12), "basic and comfortable room" (E1_13), "good standard" (E1_14), "clean" (E1_15), "friend" (E1_16), and "location" (E1_17). These are presented in the following table 7.1.

Table 7.1: Initial codes derived from interview with Expert 1

Expert 1	
E1_1	at home
E1_2	personal touch
E1_3	local features (spectacular views, nature trails, wildlife, fresh air)
E1_4	knowledge about area
E1_5	plan tour

E1_6	guide tour
E1_7	close vicinity activities
E1_8	local amenities
E1_9	local secret spots
E1_10	niche
E1_11	differentiate themselves
E1_12	no focus on facilities and/or design
E1_13	basic and comfortable room
E1_14	good standard
E1_15	clean
E1_16	friend
E1_17	location

Source: Own extrapolation

Similarly Expert 2 described the Taiwanese rural hotel as a place where the customer can have a 'different' experience to the general hotel industry. He circumscribed the rural hotel as a place that should feel like 'a second home' or a 'dream home', and be a manifestation of the area and the people who are running the hotel in regard to design and products offered at the hotel. The hotel should thus also have 'creative and personal elements', i.e. if the hotel owner was from one of the aborigine tribes then this should be clearly reflected in the design of the hotel, for example handmade blankets or carpets that would show the aborigine symbol of the tribe. Like Expert 1, Expert 2 also referred to the relationship between owners and customers as more of a 'personal relationship' than the 'professional relationship' between customers and hotel personnel found in big hotel chains. However, while Expert 2 made reference to the special atmosphere of rural hotels he then turned more to individual services that these hotels should provide. Taiwanese rural hotels after all were hotels and should provide a basic or standard-, nevertheless good service to customers. This would ensure that hotels were safe, clean, and comfortable and included things like en-suite bathroom, parking or a shuttle service. The owner should be an expert in

accommodation, recreation, and food, able to run a hotel business, able to plan activities and an itinerary for customers, and able to provide tasty food. This would meet basic accommodation needs and at the same time result in a competitive advantage of these hotels.

From the interview with Expert 2 a total of 25 initial codes were derived. These are: "second home" (E2_1), "dream home" (E2_2), "special atmosphere" (E2_3), "manifestation of the people" (E2_4), "personal elements" (E2_5), "plan activities and itinerary" (E2_6), "manifestation of the area" (E2_7), "different food experience" (E2_8), "creative elements (hand-made carpets)" (E2_9), "manifestation of area and people in design" (E2_10), "reflection of owner's background" (E2_11), "basic service" (E2_12), "comfortable" (E2_13), "safe" (E2_14), "clean" (E2_15), "basic accommodation needs" (E2_16), "parking" (E2_17), "shuttle service" (E2_18), "en-suite bathroom" (E2_19), "personal relationship" (E2_20), "provide tasty food" (E2_21), "management skills (able to run hotel" (E2_22), "expert in accommodation and recreation" (E2_23), "competitive advantage" (E2_24), and "local produce" (E2_25)._These are presented in table 7.2.

Table 7.2: Initial codes derived from interview with Expert 2

Expert 2	
E2_1	second home
E2_2	dream home
E2_3	special atmosphere
E2_4	manifestation of the people
E2_5	personal elements
E2_6	plan activities and itinerary
E2_7	manifestation of the area
E2_8	different food experience
E2_9	creative elements (hand-made carpets)
E2_10	manifestation of area and people in design
E2_11	reflection of owner's background

E2_12	basic service
E2_13	comfortable
E2_14	safe
E2_15	clean
E2_16	basic accommodation needs
E2_17	parking
E2_18	shuttle service
E2_19	en-suite bathroom
E2_20	personal relationship
E2_21	provide tasty food
E2_22	management skills (able to run hotel)
E2_23	expert in accommodation and recreation
E2_24	competitive advantage
E2_25	local produce

Source: Own Extrapolation

7.2.3. Analysis and synthesis of expert interview codes

In the customer service attribute identification process the opinions of expert 1 and expert 2 and the respective tables with initial codes, table 7.1 and table 7.2, were compared with each other to check for (in)consistencies and the possible emergence of patterns. In this initial "pattern matching" codes could be attributed to more than one pattern. For example, the code to "differentiate themselves" (E1_11) could be combined with the code "personal touch" (E1_2), "niche" (E1_10), "friend" (E1_16), "special atmosphere" (E2_3), "manifestation of the people" (E2_4), "personal elements" (E2_5), "reflection of owners background" (E2_11), "personal relationship" (E2_20), and "competitive advantage" (E2_24) to form the category "unique personal service" (later to become attribute 5). However, at the same time the code "to differentiate themselves" (E1_11) could be combined with "manifestation of the people" (E2_4), "manifestation of the area" (E2_7), and reflection of owner's background (E2_11), to form the category experience of rural life (later to become attribute 14). At the beginning of the

pattern matching process similar codes, such as expert 1 code "at home" (E1_1), expert 2 code "second home" (E2_1) and "dream home" (E2_2) were retained and only preliminarily categorised into "comfortable" (which would later become the attribute "comfort" (2).

From the interview with Expert 1 17 codes were derived, from the interview with Expert 2 25 codes were derived. In total 42 codes were derived from the two expert interviews. Expert 1 and expert 2 largely agreed with each other, i.e. they had similar things to say about the Taiwanese rural hotel. There were some minor differences in the terms they used, which resulted in different, nevertheless similar, codes. Expert 2 for example talked about the importance of a good "personal relationship" (E2_20) between owners and customers, while expert 1 referred to this as more of a "friend" (E1_16) –ship. Code E1_12 "no focus on facilities and/or design" needed a little clarification. At first, looking at the codes only, and comparing code E1_12 "no focus on facilities and/or design" with code E2_10 "manifestation of area and people in design", it seemed that there might be a difference in the perception of the importance of design, i.e. that expert 1 said that design was not to be focused on, while expert 2 wanted it to be a manifestation of the area and the people. However, consulting the original transcripts again it soon became clear that the two experts were referring to the same thing. Expert 1 wanted to emphasise that rural hotels were not to be design icons with state of the art and award winning design features, using brand designer interior. Rather they should ideally incorporate the owner's personality, and give something of a personal touch; like for example Owner 2, who had a passion for coffee, which was reflected in the coffee shop "designed" rural hotel. In this way it became clear that the two codes E1_12 "no focus on facilities and/or design" and code E2_10 "manifestation of area and people in design" could be grouped together into the same category. These two codes, together with E1_13 "basic and comfortable room", E1_14 "good standard", E2_9 "creative elements (hand-made carpets), E2_12 "basic service", and E2_16 "basic accommodation

needs", formed the category "design and decoration" (which would later become attribute 21).

At this stage of the coding process there were a few stand-alone codes that were not yet ascribed to a certain category. These are: E2_14 "safe", E2_17 "parking", E2_18 "shuttle service", E2_19 "en-suite bathroom", and E2_25 "local produce". These codes were retained as stand-alone categories and to be supported or rejected in the subsequent analysis of the other key stakeholder codes.

Merging and grouping all 42 expert codes resulted in a first set of 17 (preliminary) categories: comfort; unique personal service; location; itinerary planning; local sightseeing consultation; narration of rural hotel; experience of rural life; design and decoration; in-room amenities; cleanliness; provide tasty food; security; parking; shuttle service; en-suite bathroom; efficiently meeting customer requirements; and local produce. Table 7.3 shows the exact categorisation process for each of the codes and each category. It shows which codes were grouped together and to which category they were assigned to. All 42 codes are ascribed to at least one preliminary category.

expert categories

	Expert codes									
	E1_1	E1_13	E2_1	E2_2	E2_13					
vice (5)	E1_2	E1_10	E1_11	E1_16	E2_3	E2_4	E2_5	E2_11	E2_20	E2_24
	E1_3	E1_7	E1_8	E1_9	E1_17					
.5)	E1_5	E1_4	E1_7	E1_8	E1_9	E1_17	E2_6			
ısultation (16)	E1_6	E1_4	E1_5	E1_7	E1_8	E1_9	E1_17	E2_6		
)tel (13)	E1_10	E1_11	E1_4	E2_4	E2_5	E2_7	E2_11			
ife (14)	E1_11	E2_4	E2_7	E2_11						
on (21)	E1_12	E1_13	E1_14	E2_9	E2_10	E2_12	E2_16			
3)	E1_14	E2_16								
	E1_15	E2_15								
9, 10, 11)	E2_8	E2_21								
	E2_14									
	E2_17									
	E2_18									
19)	E2_19									
:ustomer	E2_22	E2_23								
	E2_25									

)lation

ets refers to the final customer service attribute this category merged into upon analysis of all 13 interviews

These preliminary categories were then confronted with the codes of the other key stakeholders rural hotel owners and rural hotel customers. This will be discussed in the next two sections, starting with the owners' perspectives in the next section.

7.3. Owners' perspectives on the Taiwanese rural hotel

Consulting hotel owners was important not only in regards to finding out what services they offer but also in order to obtain contextual information on the management of hotels. Experts1 and 2 suggested nine hotel owners that may be consulted for interviews from the three regions Hualien, Nantow, and Ilan. Three of those hotel owners did not want to be interviewed and arrangements were made with six of them, two from Hualien (Owners 1 and 2), two from Nantow (Owners 3 and 4), and two from Ilan (Owners 5 and 6). The owners were first approached via telephone and the researcher described shortly the purpose of the study and the information he was hoping to get from owners. A date was arranged for a personal visit to the rural hotels. All six interviews were held within a fortnight. Interviews with hotel owners were held at the rural hotel and took between 30 and 45 minutes. With the exception of one hotel (which was fully occupied) the interviews were followed by a tour through the hotel.

Owner 1[27] from Hualien is a retired couple, a former teacher and stewardess. Owner 2, also from Hualien, is a retired journalist. Owner three from Nantow is again a retired couple. They have a business background and had the lifelong dream of becoming farmers, and the now run a rural hotel on their peach farm. Owner 4, also from Nantow, is a former architect who changed into the rural hotel

[27] Hotel owners are referred to in the singular, i.e. in one hotel has one owner, even though the interviews were mostly held with a couple, for example the hotel owner and his wife

sector. Owner 5 from Ilan is a tea farmer (i.e. the rural hotel is on the tea farm). Owner 6, also from Ilan, is a former carpenter and he was interviewed together with his wife. The six owner interviews were conducted with a total of nine people (i.e. for example a spouse being present and contributing to the interview). The semi structured interview questions to owners were oriented towards the following topics (see also Appendix A for the interview guidance sheet):

1. Customer service attributes of Taiwanese rural hotels
   -attractions
   -room service
   -food service
   -other
2. Challenges they may face in managing the hotel
   -operation
   -improvement
   -external support

7.3.1. The Taiwanese rural hotel guest experience according to hotel owners

Owner 1 stated that they want to provide a clean and comfortable room. Each room has en-suite bathroom facilities. In-room amenities such as towels, toothbrush, razor, shampoo, lotion and slippers are provided. The hotel consists of two complexes, one with the guest rooms and one where the owners live. In this way they are always nearby if needed but at the same time offer privacy to guests. The hotel had a garden and a pets' corner behind the house with goats, hens, rabbits, cats and dogs and this area was accessible to customers. The retired teacher, with whom the interview was held, pointed out food as one of the strengths of the hotel. She prepared her own special breakfast and offered an alternating menu for each day. She uses as many home grown organic ingredients as possible from the own garden and whatever they have to purchase they do so locally. She really enjoys cooking and likes the interaction with customers, sharing recipes with them and having even the kitchen spaciously

designed to accommodate customers if they want to join her cooking in the kitchen. Once the food is on the table it is a pleasure for her to see her happy customers enjoying their food either indoor or at the terrace which has a wonderful view. But food is just one element in the interaction with customers, which may happen on various other levels, for example taking them for a walk in the vicinity and telling their story how they came about opening a rural hotel. They offer a range of services to customers, arranging 1 or 2 day trips with activities such as whale watching or a visit to the local Ocean (theme) park. They also take customers around the area to local shops and farms where they can buy products and souvenirs from the area.

In total 21 codes were derived from the interview with owner 1. They are presented in table 7.4.

Table 7.4: Initial codes derived from interview with owner 1

Owner 1	
O1_1	clean
O1_2	comfortable
O1_3	en-suite bathroom
O1_4	in-room amenities (towel, toothbrush, razor, shampoo, lotion, slippers)
O1_5	local feature
O1_6	privacy (separate compound for owner & guest)
O1_7	garden
O1_8	pet's corner
O1_9	food
O1_10	special breakfast
O1_11	daily alternating menu
O1_12	home-grown organic ingredients
O1_13	buy locally
O1_14	interaction with customer (join cooking, share recipes)
O1_15	wonderful view
O1_16	interaction with customer (other) (go for walk, telling their story)
O1_17	arrange day trips (whale watching, Ocean Park)
O1_18	take to local shops for souvenirs from area
O1_19	location

O1_20	story
O1_21	personal element (food love)

Source: Own Extrapolation

Owner 2 aimed to provide a unique personal service to guests, sharing his passion for coffee with guests and catering for them with self-imported Guatemalan coffee which he roasted by himself in the hotel. He also aimed to attract especially people who like coffee. The entire common area was designed like a coffee shop and the coffee design feature extended throughout the rooms which were held in a Latin American style. All rooms had en-suite bathrooms and breakfast was provided and included in the price. Due to its location nearby the Li Yu Lake (Carp Lake) which has a big visitor centre his customers could either do activities themselves, enjoying the lake, or if customers wish he could take them around the area for sightseeing. Activities he mentioned included walking, boat tour, river tracking, firefly watching, searching for jade in the nearby secret Jade River, or enjoying famous homemade ice-dessert (a kind of ice-cream without cream) in one of the neighbouring villages.

In total 12 codes were derived from the interview with owner 2. They are presented in table 7.5.

Table 7.5: Initial codes derived from interview with owner 2

Owner 2	
O2_1	en-suite bathroom
O2_2	local feature
O2_3	coffee
O2_4	breakfast included
O2_5	food (local special ice-cream)
O2_6	location
O2_7	sightseeing tour
O2_8	help arrange walking, boat tour, river tracking, firefly watching, jade searching
O2_9	coffee theme design in rooms

O2_10	local amenities (ice cream)
O2_11	personal element (coffee)
O2_12	story

Source: Own Extrapolation

Owner 3, the retired couple with a business background, was running a rural hotel on a peach farm. This couple had a lifelong dream of becoming farmers and it was not their intention at first to run a rural hotel. However, the area had become increasingly popular with tourists and there was a shortage of rooms, with people continually asking if they had rooms available. Finally they decided to open a rural hotel with the ambition to care for customers as well as they did for their renowned peaches. Their goal was to provide a second home to customers and to introduce them to the beauty of peaches. They take care that rooms are comfortable and clean, and all rooms have en-suite bathrooms. Because of their active farming they do not have enough time to run a restaurant or to provide dinner, but they provide a homemade breakfast using local specialities and home grown peaches. At check in they provide customers with flyers detailing possible day trips and activities in the area. Customers can consult them about activities but apart from taking customers to their own peach farm they do not do any activities with guests themselves.

In total 16 codes were derived from the interview with owner 3. They are presented in table 7.6.

Table 7.6: Initial codes derived from interview with owner 3

Owner 3	
O3_1	second home
O3_2	personal element (peach farm)
O3_3	local feature
O3_4	en-suite bathroom
O3_5	peach farm
O3_6	local food

O3_7	no time for restaurant
O3_8	breakfast provided
O3_9	food (local and own products)
O3_10	local produce
O3_11	interaction with customer (peach farm tour)
O3_12	clean
O3_13	comfortable
O3_14	information flyer with activities
O3_15	help arrange/consult about day trips (no time to guide)
O3_16	location

Source: Own Extrapolation

Owner 4, the former architect who had built and now runs a rural hotel in Nantow, described her hotel as a comfort zone where customers can come and relax in a natural setting. The surrounding nature was incorporated into the architecture of the hotel building. All rooms had en-suite bathrooms and provided the standard personal use items. As there were not many restaurants nearby she provided both breakfast (which was included in the room price) and dinner. The meals were all home cooked and used local produce. She also offered several activities which she could do together with tourists. A speciality of her hotel was the hotel owned flower garden, where she took customers for a tour, explaining to them the different flowers and inviting them to a craft flowering workshop session afterwards. She also liked sharing the story how she had built the hotel. She also aimed to provide an unforgettable and unique relaxing 'in nature' service to customers.

In total 21 codes were derived from the interview with owner 4. They are presented in table 7.7.

Table 7.7: Initial codes derived from interview with owner 4

Owner 4	
O4_1	relax
O4_2	personal element (architecture and flower garden)
O4_3	en-suite bathroom
O4_4	in-room amenities
O4_5	local feature
O4_6	nature
O4_7	natural setting
O4_8	personal service (provide food because no restaurant nearby)
O4_9	breakfast provided (included)
O4_10	dinner provided (no restaurant nearby)
O4_11	different (flower craft workshop)
O4_12	design (surrounding nature incorporated into architecture of hotel)
O4_13	home cooking
O4_14	local produce
O4_15	interaction (do activities together)
O4_16	comfort zone
O4_17	flower garden tour
O4_18	offers several activities
O4_19	architecture/design
O4_20	location
O4_21	story

Source: Own Extrapolation

Owner 5 was a tea farmer. He described his main asset being his compassion. He decided to go for quality rather than quantity, only providing five rooms, but having more time for his customers. Owner 5 was particularly proud of his website which allowed customers to see directly if and when a room was available. He described his rooms as very clean and comfortable, all with en-suite bathrooms. There was an option to have an extra mattress in the room for an extra charge. He provided breakfast and dinner (if booked in advance), a meal especially provided by his wife, a manifestation of the surrounding area, containing many 'tea elements'. As it was a tea farm tea was provided for free throughout the stay

and owner 5 especially enjoyed taking his guests around the tea farm and explaining to them the various steps involved in tea production and preparation.

In total 19 codes were derived from the interview with owner 5. They are presented in table 7.8.

Table 7.8: Initial codes derived from interview with owner 5

Owner 5	
O5_1	personal element (tea)
O5_2	very clean
O5_3	comfortable
O5_4	local feature
O5_5	en-suite bathroom
O5_6	breakfast provided
O5_7	dinner provided
O5_8	special food (tea theme)
O5_9	different (tea)
O5_10	quality
O5_11	friend
O5_12	time with customer
O5_13	extra bed
O5_14	tour of own tea farm
O5_15	management skills (website)
O5_16	management skills (book in advance)
O5_17	activities (explain tea production and brewing)
O5_18	location
O5_19	website

Source: Own Extrapolation

Owner 6 was a former carpenter who ran the hotel together with his wife. He was proud of the location of the hotel which offered rooms with either sea- or mountain-view. As a former carpenter he used his skills and aimed to provide solid, practical, and safe furniture and interior in the hotel. He admitted he didn't know a lot about management but wanted to make up for that with his charisma and warm and welcoming attitude. The hotel provides breakfast, helped

customers with the arrangement of several activities in the area, which includes paragliding or whale watching.

In total 10 codes were derived from the interview with owner 6. They are presented in table 7.9.

Table 7.9: Initial codes derived from interview with owner 6

Owner 6	
O6_1	warm
O6_2	welcoming attitude
O6_3	charm
O6_4	local feature
O6_5	personal element (carpeting)
O6_6	sea view / mountain view
O6_7	no management skills
O6_8	help customers arrange several activities (whale watching, paragliding)
O6_9	design (furniture)
O6_10	location

Source: Own Extrapolation

7.3.2. Analysis and synthesis of hotel owner codes with expert categories

The coding process of the six hotel owner interviews resulted in a total of 101 codes: 22 codes from interview with owner 1; 13 codes from the interview with owner 2; 16 codes from the interview with owner 3; 21 codes from the interview with owner 4; 19 codes from the interview with owner 5; and 10 codes from the interview with owner 6. These codes and how they were derived at was discussed in the previous section. This section discusses the analysis and synthesis of the new hotel owner codes with the information derived from the expert interviews in section 7.2.

The 101 individual hotel owner codes had to be compared with the 17 preliminary expert categories from table 7.3. Where hotel owner codes fitted a preliminary expert category this code was ascribed to the existing category. For example, the codes O1_2 "comfortable", O3_13 "comfortable", O4_1 "relax", O4_16 "comfort zone", O5_3 "comfortable", and O6_1 "warm" were ascribed to the existing expert category "comfort". This is exemplified in row one of table 7.10.

Subsequently all 101 hotel owner codes were merged with the 17 expert categories from table 7.3. Merging and grouping all of the 101 hotel owner codes resulted in a set of 21 (preliminary) categories, i.e. five[28] new categories. These five new owner categories are privacy space, breakfast provided, feature of food, selection of food, and reservation system. While the categories "privacy space" and "reservation system" were entirely new and resulted out of information derived from the interview with hotel owner 1 (O1_6) and hotel owner 5 (O5_16) respectively, the other three categories resulted out of a split, and replaced, the original expert category "provide tasty food". The remarks made by five hotel owners concerning the different dimensions of "food" made it necessary to differentiate between the mere provision of a breakfast (O1_10, O2_4, O3_8, O4-9, O5_6), a special feature of food (O1_9, O1_12, O4_13), for example a special tea theme in the food, or a special preparation and presentation of the food, and the wish of customers (articulated through the hotel owners) for a choice, i.e. a selection, of food (O1_11, O4_10, O5_7).

After merging information from expert and hotel owner interviews there were now a total of 21 (preliminary) categories. Security (E2_14) was still a stand-alone category, as were the newly introduced categories privacy space (O1_6) and reservation system (O5_16). The previous stand-alone expert category parking

[28] As explained below one of the expert categories was split up and replaced, thus bringing the number of expert categories down to 16, the number of new categories to 21, which makes a difference of five

(E2_17) was merged with hotel owner codes O1_22 and O2_13, and the previous stand-alone expert category "shuttle service" was merged with owner code O1_18. The new 21 (preliminary) categories that represent the merged information from expert and hotel owner interviews are: comfort; unique personal service; location; itinerary planning; local sightseeing consultation; narration of rural hotel; experience of rural life; design and decoration; in-room amenities; cleanliness; security; parking; shuttle service; en-suite bathroom; efficiently meeting customer requirements; local produce; privacy space; breakfast provided; feature of food; selection of food; and reservation system. Table 7.10 shows the exact categorisation process for each of the codes and for each category. It shows which codes were grouped together and to which category they were assigned to. All 101 codes are ascribed to at least one preliminary category.

ı expert and owner categories

	Owner codes									
	O1_2	O3_13	O4_1	O4_16	O5_3	O6_1				
vice (5)	O1_14	O1_16	O3_1	O4_8	O4_15	O5_11	O5_12	O6_2	O6_3	
	O1_15	O1_19	O2_6	O3_16	O4_6	O4_7	O4_20	O5_18	O6_6	O6_10
.5)	O1_17	O2_8	O3_14	O3_15	O4_18					
ısultation (16)	O2_7	O6_8								
ɔtel (13)	O1_20	O2_12	O4_17	O5_14						
ife (14)	O1-7	O1_8	O2_3	O3_5	O4_11	O4_17	O5_17			
ɔn (21)	O1_5	O1-21	O2_2	O2_9	O3_2	O3_3	O4_2	O4_5	O4_12	O4_19
	O5_1	O6_4	O6_5	O6_9						
3)	O1_4	O4_4								
	O1_1	O3_12	O5_2							
	O1_22	O2_13								
	O1_18									
19)	O1_3	O2_1	O3_4	O4_3	O5_5					
:ustomer	O5_13	O5_15	O5_19							
	O1_13	O2_5	O2_11	O3_6	O3_9	O4_14	O5_8			
	O1_6									
9)	O1_10	O2_4	O3_8	O4_9	O5_6					
	O1_9	O1_12	O4_13							

L)	O1_11	O4_10	O5_7							
7)	O5_16									

)lation

7.4. Customers' perspectives on the Taiwanese rural hotel

It has been critiqued in the literature review (especially in section 5.3) that authors (for example Hsieh et al., 2008) identify customer service attributes without consulting customers themselves and that this presents a gap in the literature. This study wants to address this gap by including customers in the customer service attribute identification process. This should ensure that attributes are context specific and relevant to Taiwanese rural hotel guests. Five interviews were held with Taiwanese rural hotel customers (a total of 13 people).

Visiting rural hotels for interviews with the hotel owners also provided the opportunity to interview rural hotel customers directly at the rural hotel. Accordingly the researcher interviewed rural hotel customers following the interview with the hotel owner. Interviews started with a selective question if customers had previously stayed at a rural hotel and were thus eligible for providing the information sought after. In all five cases the interviewees had already stayed at rural hotels and thus met the eligibility criteria to being interviewed. With the exception of hotel 6 in Ilan, where no customers were present at the time of the interview, one interview for each of the (remaining five) hotels was conducted. Interviewees are referred to in the singular as customer 1, 2, 3 etc. even though they may present a group of respondents, for example a family or a couple. The customer numbers correspond with the hotel numbers, i.e. customer 1 is from hotel 1 in Hualien, customer 3 is from hotel 3 in Nantow, and so on. These customers are:

Customer 1: a family with two kids; they are regular customers to rural hotels and find (new) rural hotels over the Internet or word of mouth (friends)

Customer 2: a couple, they find (new) rural hotels through word of mouth (friends)

Customer 3: a group of four good friends; found out about the hotel via a TV travel programme, magazine and newspaper

Customer 4: a couple, they find (new) rural hotels through the Internet

Customer 5: a family with one child; they are regular customers to rural hotels

An interview guidance sheet for customer interviews was prepared and these questions were framed around the following six topics (see also Appendix A for the interview guidance sheet):

1. How and where did you find out about and select the rural hotel?

2. Why did you choose to stay at a rural hotel?

3. What kind of service attributes are you looking for in particular at a rural hotel?

4. What role does food take in the services provided at the rural hotel? Do you expect anything in particular?

5. Can you tell me about an unforgettable experience you had at a Taiwanese rural hotel?

6. Is there any service attribute you can think of that you would like to be offered at a rural hotel, and which is currently not offered, or not offered in the way that satisfies you expectations fully?

7.4.1. The Taiwanese rural hotel guest experience based on customer interviews

Most commonly rural hotels were 'recommended by a friend' (customers 1, 2, 4, 5). Only customer 3, a group of four good friends, had found out about the hotel via TV, magazine and newspaper, and had consulted a travel agent. All five customers obtained further information through the internet and visiting the

particular rural hotel's website. The majority of respondents (customers 1, 2, 3, 4) mentioned previous good experiences at the rural hotel as a motivation to stay at a rural hotel, marking out the personal touch and personal service, the homey feeling, and the knowledge of hotel owners about the area and interesting nearby spots, the chance to be close to the local culture and with the rural hotel owners as a connecting link to this culture.

Customer 3, a group of four friends, had seen the fruit picking activity on TV and wanted to have this experience themselves, picking and eating fresh fruit directly at the farm. Interestingly customer 5, the family with one child, had chosen to stay at a rural hotel after their very first stay had been unsatisfactory. They originally wanted to stay at a bigger hotel but as no rooms were available they were forced to stay at a rural hotel, and they did not enjoy the experience at all. However, after talking to friends about their unpleasant trip their friends recommended them 'a very good rural hotel' and they decided to give it another go. Their second, this time planned, attempt was much more successful, and they became regular rural hotel customers. This example shows that at current there is no standard that customers can expect of rural hotels, making it difficult for customers to make an informed decision whether or not they would like to spend their holiday in such an establishment. This also became clear in another interview with customer 4, the couple. Although they themselves had not had a negative experience they reported about some of their close friends who had a negative experience with rural hotels. It seemed that especially during the high season, when many of the 'better hotels' are occupied and customers had not informed themselves beforehand about available accommodation that the rural hotel experience may be combined with some 'nasty surprises'. Customers reported about overpriced rooms in the high seasons, with no provision of breakfast, and plain provision of rooms without any of the rural life experience or the personal touch and services described above.

Food takes an important role in the Taiwanese everyday life. Customers were asked what role food takes in the services provided at the rural hotel and if they had any special expectations concerning food, and they had. Customers 1, 3 and 4 expressed the wish that breakfast was provided and preferably prepared by the hotel owner and using local produce. However, customer 1, the family with two kids, not only expected to be provided with food made from local ingredients but also expected being involved in the food preparation process and being let in on the secret recipe. Customer 5 was quite straight forward on his expectations concerning food stating that 'if people can't cook and are not enthusiastic about food and local produce then they shouldn't be running a rural hotel' (customer 5). At the very least rural hotels, if they do not provide quality food themselves, need to have nearby, know about, and recommend a local, famous speciality restaurant where customers can go for breakfast (customer 5).

Customers in general expected basic hotel services and all five customers wanted accommodations to be clean and comfortable, with personal use items such as towel and toothbrush provided. Their answers imply that they also expected some kind of comfort, as all five of them stated that they expected en-suite bathrooms. Customers 2, 3, 4, and 5 explicitly emphasised the important role of the hotel owner in consulting them about activities in the nearby area and/or planning tours for them. Customers 1, 3, 4, and 5 also mentioned the relationship with the hotel owner, with the chance of sitting together with the owner for some extensive period of time – maybe drinking green tea together in the evening – where the owner would talk about his own personal history, the history of the hotel, and the history and culture of the area. Customers expressed a wish to 'know where we are' (customers 1, 3, 4 and 5). Visitors to the rural hotel near Li-Yu Lake, literally meaning 'Carp Lake', for example wanted to know why it was called Carp Lake when there were actually no carp in it. The owner showed them an aerial of the area and explained it was called Carp Lake because of its form, resembling the shape of a carp. Other rural hotels were in areas famous for

fireflies or butterflies, and customers want to know what kind of species can be seen at which time of the year, and how to best observe them.

All five customers stated they had unforgettable experiences at a rural hotel. Customer 1 reported how impressed he was with the passion with which the owner was running the hotel, and how he managed to positively transpose this onto customers – guiding them in the area surrounding the hotel, explaining details about design and cultural background, thus making the customer himself enthusiastic and increasingly curious and interested about these things. The hotel owner had become a friend during their stay, going on bicycle trips (free bicycles provided) with the entire family, showing them the local spots and explaining flora and fauna (the area for example grows a soap tree, which fruits can be used for washing cloths and hands, which had been used for generations in the area and which is still being used by locals today). The owner was very knowledgeable about the wildlife and could explain many of the insects endemic to the area. The customer really felt that the hotel owner had made an effort to meet the exact needs of this family with two small kids and that 'the perfect tailor made tour had been provided' (customer 1).

In total 36 codes were derived from the interview with customer 1. These codes are presented in table 7.11.

Table 7.11: Codes derived from interview with customer 1

Customer 1	
C1_1	basic hotel service
C1_2	clean
C1_3	comfortable
C1_4	in-room amenities
C1_5	en-suite bathroom
C1_6	activity consulting
C1_7	nearby activity
C1_8	plan tour
C1_9	relationship
C1_10	extensive time with owner

C1_11	personal history
C1_12	hotel history
C1_13	culture
C1_14	know where we are
C1_15	rural life experience
C1_16	nature
C1_17	unique personal service
C1_18	website
C1_19	unforgettable experience
C1_20	personal touch
C1_21	personal service
C1_22	homey feeling
C1_23	knowledge about area
C1_24	interesting nearby spots
C1_25	local culture
C1_26	breakfast
C1_27	home cooking
C1_28	local produce
C1_29	recipe sharing
C1_30	cook together
C1_31	passion
C1_32	make customer enthusiastic and curious
C1_33	friend
C1_34	meet customer's needs
C1_35	tailor made service
C1_36	local produce

Source: Own Extrapolation

Customer 2, a couple, described their experience of staying at a rural hotel that surprised them with a coffee theme. On journeys to Guatemala the hotel owner had developed a passion about coffee and had incorporated a coffee theme into the hotel. The owner imported coffee directly from Guatemala, roasted it in the hotel, and had designed the common area like a coffee shop where he also sold coffee. Over a cup of home-brewed Guatemala coffee the hotel owner would share with customers stories about his trip to Guatemala, his fable about coffee

in general and the different ways and effects of roasting and brewing coffee. The personal service offered by the hotel owner extended to walks on 'secret trails' in the nearby area, for example to a Jade river. Customer 2 was particularly touched when he received a personal text message from the hotel owner congratulating him to his birthday.

In total 28 codes were derived from the interview with customer 2. These codes are presented in table 7.12.

Table 7.12: Codes derived from interview with customer 2

Customer 2	
C2_1	basic hotel service
C2_2	clean
C2_3	comfortable
C2_4	in-room amenities
C2_5	en-suite bathroom
C2_6	activity consulting
C2_7	nearby activity
C2_8	plan tour
C2_9	relationship
C2_10	extensive time with owner
C2_11	personal history
C2_12	hotel history
C2_13	culture
C2_14	know where we are
C2_15	rural life experience
C2_16	nature
C2_17	unique personal service
C2_18	website
C2_19	unforgettable experience
C2_20	personal touch
C2_21	personal service
C2_22	homey feeling
C2_23	knowledge about area
C2_24	interesting nearby spots
C2_25	local culture
C2_26	surprise (coffee theme)

C2_27	secret trail (jade river)
C2_28	personal text message (birthday)

Source: Own Extrapolation

Customer 3, the group of four good friends, described their good impressions they had at the rural hotel. The owner had picked them up from the train station and attended to their luggage, making a first good impression. This group of friends had a fable for fruits and had chosen the hotel because it was on a peach farm. The hotel owner guided them through his peach farm where they could learn about different types of peaches as well as pick and taste different kinds of peaches themselves. This created a wonderful 'fruit dream' experience at their stay which was complemented by the owner surprising his customers with a home-made peach desert waiting for them in their hotel room, and also incorporating peaches in the food that was provided from the hotel over the duration of their stay. The owner also took them to a nearby animal farm where customers could experience milking a goat.

In total 34 codes were derived from the interview with customer 3. These codes are presented in table 7.13.

Table 7.13: Codes derived from interview with customer 3

Customer 3	
C3_1	basic hotel service
C3_2	clean
C3_3	comfortable
C3_4	in-room amenities
C3_5	en-suite bathroom
C3_6	activity consulting
C3_7	nearby activity
C3_8	plan tour
C3_9	relationship
C3_10	extensive time with owner
C3_11	personal history

C3_12	hotel history
C3_13	culture
C3_14	know where we are
C3_15	rural life experience
C3_16	nature
C3_17	unique personal service
C3_18	website
C3_19	unforgettable experience
C3_20	personal touch
C3_21	personal service
C3_22	homey feeling
C3_23	knowledge about area
C3_24	interesting nearby spots
C3_25	local culture
C3_26	breakfast
C3_27	home cooking
C3_28	local produce
C3_29	pick-up service
C3_30	learn
C3_31	pick and taste
C3_32	surprise (home-made dessert)
C3_33	special food
C3_34	local produce

Source: Own Extrapolation

Customer 4 had just checked into the hotel, so he could only talk about an experience he had at a previous stay at a rural hotel. This couple had made a trip to the sea and when arriving at the rural hotel they were somewhat surprised to find that the hotel neither had TV nor internet connection, providing 'a truly rural experience' (customer 4). The owner actually stated that they 'wouldn't need a TV or internet', being very confident that his rural experience program would both fully occupy and satisfy them. And, as they found out during their stay, he was right. The owner took them to the harbour to see the fisher boats coming in, buying fresh seafood directly from the fishermen, and preparing a BBQ for

customers in the traditional local aborigine style – sitting around a camp fire, singing and dancing to aborigine songs, and drinking aborigine rice wine. After dinner they went together to the beach collecting stones and wood. When the customers checked out the next day at lunchtime the hotel owner surprised them with a coat-hanger he had crafted from the piece of wood they had found just the night before. This created a truly unique and authentic experience for customers (at the interview they even remembered the aborigine song and sang it to the researcher). Customer 4 shared their experience how they got lost in the area and couldn't find the way back to the hotel. Five minutes with the call the hotel owner had located them and guided them back to the hotel, providing a unique personal service.

In total 35 codes were derived from the interview with customer 4. These codes are presented in table 7.14.

Table 7.14: Codes derived from interview with customer 4

Customer 4	
C4_1	basic hotel service
C4_2	clean
C4_3	comfortable
C4_4	in-room amenities
C4_5	en-suite bathroom
C4_6	activity consulting
C4_7	nearby activity
C4_8	plan tour
C4_9	relationship
C4_10	extensive time with owner
C4_11	personal history
C4_12	hotel history
C4_13	culture
C4_14	know where we are
C4_15	rural life experience
C4_16	nature
C4_17	unique personal service
C4_18	website

C4_19	unforgettable experience
C4_20	personal touch
C4_21	personal service
C4_22	homey feeling
C4_23	knowledge about area
C4_24	interesting nearby spots
C4_25	local culture
C4_26	breakfast
C4_27	home cooking
C4_28	local produce
C4_29	no TV & internet
C4_30	fresh seafood
C4_31	aborigine style
C4_32	sing & dance
C4_33	surprise (handcrafted coat hanger)
C4_34	authentic
C4_35	together

Source: Own Extrapolation

Customer 5, the family with one child, shared two experiences they had – the first not so good experience and the subsequent very good experience. Their first visit to a rural hotel was not planned, as they quickly had to find a place to stay, as the hotel where they originally intended to stay was fully booked. The hotel owner had welcomed them at the rural hotel, had shown them to their room and handed over keys and a breakfast voucher together with a map for a nearby place where they could have breakfast. The owner lived somewhere else, 'he just disappeared' (Customer 5), and was not to be seen again until the scheduled check-out time. The customers felt 'a bit neglected' (Customer 5) as there was no service and no one to turn to. It was purely provision of a room, not more.

However, after sharing their unsatisfactory experience with friends they were referred to 'a very good rural hotel with a farm atmosphere' and decided to give the rural hotel another chance. This time they should not be disappointed. After

a warm welcome the owner showed them around his surrounding tea fields where they learned about green tea, tea picking, drying, roasting, and tea preparing. They experienced and enjoyed different tea products (i.e. different local food specialities which use tea) and the owner even prepared a special tea meal suitable for their child. The customers really enjoyed the trip as they had the personal service they had been looking for, with the owner always at their disposal, and with an interesting and informatory tea-farm experience. Customers 5 stated that they will be very careful in the future in choosing a rural hotel as the experience can be very different.

In total 28 codes were derived from the interview with customer 5. These codes are presented in table 7.15.

Table 7.15: Codes derived from interview with customer 5

Customer 5	
C5_1	basic hotel service
C5_2	clean
C5_3	comfortable
C5_4	in-room amenities
C5_5	en-suite bathroom
C5_6	activity consulting
C5_7	nearby activity
C5_8	plan tour
C5_9	relationship
C5_10	extensive time with owner
C5_11	personal history
C5_12	hotel history
C5_13	culture
C5_14	know where we are
C5_15	rural life experience
C5_16	nature
C5_17	unique personal service
C5_18	website
C5_19	unforgettable experience
C5_20	no uniform standard
C5_21	enthusiastic about food and local produce

C5_22	warm welcome
C5_23	breakfast voucher
C5_24	owner disappear
C5_25	learn about tea
C5_26	together
C5_27	local food speciality
C5_28	owner always at disposal

Source: Own Extrapolation

7.4.2. Analysis and synthesis of customer codes with expert and hotel owner categories

The coding process of the five rural hotel customer interviews resulted in a total of 160 rural hotel customer codes: 35 codes from interview with customer 1; 28 codes from the interview with customer 2; 34 codes from the interview with customer 3; 35 codes from the interview with customer 4; and 28 codes from the interview with customer 5. These codes and how they were derived at was discussed in the previous section. This section discusses the analysis and synthesis of the new rural hotel customer codes with the information derived from the expert interviews in section 7.2 and the owner interviews in section 7.3.

The coding process of rural hotel customer interviews showed an overlap in many of the codes. For example customer codes 1 to 19 appear in the coding list of all five customers. These are "basic hotel service", "clean", "comfortable", "in-room amenities", "en-suite bathroom", "activity consulting", "nearby activity", "plan tour", "relationship", "extensive time with owner", "personal history", "hotel history", "culture", "know where we are", "rural life experience", "nature", "unique personal service", "website", and "unforgettable experience" (see also tables 7.11 until 7.15). These 160 individual rural hotel customer codes then had to be compared with the 21 preliminary categories that came out of the analysis of expert and owner interviews (table 7.10). Where rural hotel customer codes fitted one of the

preliminary categories derived from the interviews with experts and hotel owners, this code was ascribed to the existing category. For example, the codes C1_15 "rural life experience", C1_16 "nature", C1_25 "local culture", C2_15"rural life experience", C2_16 "nature", C2_25 "local culture", C3_15 "rural life experience", C3_16 "nature", C3_25 "local culture", C3_30 "learn", C3_31"pick and taste", C4_15 "rural life experience", C4_16 "nature", C4_25 "local culture", C5_15 "rural life experience", C5_16 "nature", and C5_25 "learn about tea" were all ascribed to the existing category "experience of rural life". This is exemplified in row seven of table 7.16.

Subsequently all 160 rural hotel customer codes were merged with the 21 existing categories from table 7.10. All of the 160 customer codes could be merged and grouped with the existing 21 categories, i.e. no new category had to be introduced at this stage. After merging information from rural hotel customer interviews with the existing information from expert and hotel owner interviews there were now a total of 21 categories. Security (E2_14) and parking (E2_17) continued to be stand-alone categories. The previous stand-alone categories privacy space (O1_6) and reservation system (O5_16) were merged with code C5_24 "owner disappear" and codes C1_18, C2_18, C3_18, C4_18, C5_18 (all "website") respectively. No additional customer codes were added to the existing category "selection of food". Table 7.16 shows the exact categorisation process for each of the codes and for each category. It shows which customer codes were grouped together and to which category they were assigned to. All 160 customer codes are ascribed to at least one of the existing 21 expert and hotel owner categories.

The 21 final categories that represent the merged information from interviews with all three key interest groups experts, hotel owners, and customers, are: comfort; unique personal service; location; itinerary planning; local sightseeing consultation; narration of rural hotel; experience of rural life; design and decoration; in-room amenities; cleanliness; security; parking; shuttle service; en-

suite bathroom; efficiently meeting customer requirements; local produce; privacy space; breakfast provided; feature of food; selection of food; and reservation system. This is exemplified in table 7.16.

ן expert, owner, and customer categories

customer	Customer codes									
	C1_1	C1_3	C2_1	C2_3	C3_1	C3_3	C4_1	C4_3	C5_1	C5_3
vice (5)	C1_9	C1_17	C1_19	C1_21	C1_22	C1_29	C1_30	C1_33	C1_35	C2_9
	C2_17	C2_19	C2_21	C2_22	C2_28	C3_9	C3_17	C3_19	C3_21	C3_22
	C4_9	C4_17	C4_19	C4_21	C4_22	C4_32	C4_35	C5_9	C5_17	C5_22
	C5_26									
	C1_24	C2_24	C3_24	C4_24						
15)	C1_7	C1_8	C2_7	C2_8	C3_7	C3_8	C4_7	C4_8	C5_7	C5_8
nsultation (16)	C1_6	C2_6	C2_27	C3_6	C4_6	C4_34	C4_35	C5_6		
otel (13)	C1_11	C1_12	C1_13	C1_14	C1_23	C1_31	C1_32	C2_11	C2_12	C2_13
	C2_14	C2_23	C3_11	C3_12	C3_13	C3_14	C3_23	C4_11	C4_12	C4_13
	C4_14	C4_23	C4_29	C5_11	C5_12	C5_13	C5_14			
life (14)	C1_15	C1_16	C1_25	C2_15	C2_16	C2_25	C3_15	C3_16	C3_25	C3_30
	C3_31	C4_15	C4_16	C4_25	C5_15	C5_16	C5_25			
on (21)	C1_20	C2_20	C2_26	C3_20	C4_20	C4_31	C4_33	C5_20		
3)	C1_1	C1_4	C2_1	C2_4	C3_1	C3_4	C4_1	C4_4	C5_1	C5_4
	C1_1	C1_2	C2_1	C2_2	C3_1	C3_2	C4_1	C4_2	C5_1	C5_2
	C3_29									
19)	C1_5	C2_5	C3_5	C4_5	C5_5					
customer	C1_18	C1_34	C2_18	C3_18	C4_18	C5_18	C5_28			

	C1_28	C3_28	C3_34	C4_28	C5_21	C5_27				
	C5_24									
(9)	C1_26	C3_26	C4_26	C5_23						
	C1_27	C3_27	C3_32	C3_33	C4_27	C4_30	C5_21	C5_27		
1)										
7)	C1_18	C2_18	C3_18	C4_18	C5_18					

)lation

7.5. Customer service attributes defined

13 interviews have been conducted with the three key interest groups rural hotel customers, rural hotel owners, and experts in order to identify customer service attributes for Taiwanese rural hotels. The previous sections have introduced the results from each of those interviews. Tables 7.3, 7.10, and 7.16 showed the merger of individual interview codes into categories and building up the table. This section presents the 21 final categories. Table 7.17 presents an overview of those 21 final categories. Each category is shown with all its respective expert codes, hotel owner codes, and customer codes. Because the literature has been critiqued for often not including information on the meaning of customer service attributes, this section provides a short paragraph of description for each of the 21 customer service attributes.

The final 21 customer service attributes are (according to the reshuffled sequence in table 7.17):

1. Cleanliness
2. Comfort
3. In-room amenities
4. Privacy space
5. Unique personal service
6. Efficiently meeting customer requirements
7. Reservation system
8. Shuttle service
9. Breakfast provided
10. Feature food

11. Selection of food

12. Local produce

13. Narration of Taiwanese rural hotel

14. Experience of rural life

15. Itinerary planning

16. Local sightseeing consultation

17. Convenience of parking

18. Location

19. En-suite bathroom

20. Security

21. Design and decoration

1. Cleanliness: The first attribute, cleanliness, resulted out of a merger of expert codes E1_15, E2_15, owner codes O1_1, O3_12, O5_2, and customer codes C1_1, C1_2, C2_1, C2_2, C3_1, C3_2, C4_1, C4_2, C5_1, C5_2. It refers to general cleanliness of the hotel room and of common areas, such as reception, breakfast room, or garden, as well as items, such as bed linen. Cleanliness is one of the basic standard requirements of any hotel and rural hotels need to ensure that they can provide a good level of cleanliness.

2. Comfort: The second attribute resulted out of a merger of the expert codes E1_1, E1_13, E2_1, E2_2, E2_13, the owner codes O1_2, O3_13, O4_1, O4_16, O5_3, O6_1, and the customer codes C1_1, C1_3, C2_1, C2_3, C3_1, C3_3, C4_1, C4_3, C5_1, C5_3. Respondents described the rural hotel as a place where they expect to feel comfortable. In being "comfortable", the rural hotel should not have the cold or impersonal atmosphere which may sometimes be

found in a standard room of bigger hotels. The Taiwanese rural hotel should feel more something like a second home or a holiday home. The service attribute 'comfort' refers only to physical comfort (i.e. a comfortable bed) with other sensual perception such as friendliness or visual perception (for example décor) dealt with in separate attributes.

3. In-room amenities: The third attribute "in-room amenities" resulted out of a merger of the expert codes E1_14, E2_16, owner codes O1_4, O4_4, and customer codes C1_1, C1_4, C2_1, C2_4, C3_1, C3_4, C4_1, C4_4, C5_1, C5_4. In-room amenities are items for personal care and include the provision of things such as slippers, bath towel, hand towel, and face towel, shower gel, shampoo, lotion, shower cap, razor with shaving gel, and toothbrush and paste.

4. Privacy space: "Privacy space" resulted out of two codes, owner code O1_6 and customer C5_24. Although only two codes described issues relating to privacy, they were ascribed an own attribute. This is mainly due to the narrative of customer 5, which describes a negative experience. Customer 5, the family with one child, mentioned their experience with the hotel owner's child continuously coming into their hotel room to play with their own child. While they liked the owner's child, they found it inappropriate for the owner's child to continually come to their hotel room, and they felt that as a consequence they lacked some privacy – which was important to them. Although other codes (for example E1_16, E2_20, O1_14, O5_11, O5_12, O6_3, C1_9, C1_33, C3_9, C3_10, C4_9, C4_10, C4_35, C5_9, and C5_10) point out the importance of a good and special relationship between rural hotel owners and customers, which should be more like a friendship than that of a business relationship, customer 5's remark points out that it might be a fine line of providing a unique personal service and disturbing a customer's privacy. It is conceivable that Taiwanese rural hotel customers treasure their privacy and expect private space similar to what can be expected in standard hotels. Remarks from customers stressing the need

for privacy may also relate to the origins of rural hotels. As described in section 6.2 (expert perspective), Taiwanese rural hotels started as very basic accommodation providers, where often just a basic place for the night was provided (rumours are told that this was sometimes even the owner's own private bed), and with no privacy whatsoever. As also Wu and Yang (2010) remark, this was the beginning of B&Bs in Taiwan, and both, the service provided by hotel owners and the quality of service expected by customers, seems to have changed over recent years. It is also important to include the attribute "privacy space" as a contrast to the next attribute "unique personal service".

5. Unique personal service: Attribute 5, "unique personal service", is one of the most prominent attributes, as it emerged out of 50 individual codes: E1_2, E1_10, E1_11, E1_16, E2_3, E2_4, E2_5, E2_11, E2_20, E2_24 O1_14, O1_16, O3_1, O4_8, O4_15, O5_11, O5_12, O6_2, O6_3 C1_9, C1_17, C1_19, C1_21, C1_22, C1_29, C1_30, C1_33, C1_35, C2_9, C2_17, C2_19, C2_21, C2_22, C2_28, C3_9, C3_17, C3_19, C3_21, C3_22, C4_9, C4_17, C4_19, C4_21, C4_22, C4_32, C4_35, C5_9, C5_17, C5_22, and C5_26. Literature, experts, owners, as well as customers referred to the importance of 'unique personal service' in rural hotels. Taiwanese in general are very happy and friendly people and open to strangers. The unique personal service therefore presents, especially in an international context, a potential competitive advantage. Experts 1 and 2 for example referred to the relationship between hotel owners and customers as 'a friendship', where customers return to a 'good friend' on their next holiday and build a lasting relationship that would ensure continuous business for the hotel owner. Similarly all of the five (groups of) customers and all of the six hotel owners described the relationship between owners and customers as something truly unique and special, marking a distinctive difference to big hotels. Provision of this unique service is enabled through, or demands from the hotel owner, to possess multiple talents, from the basic tasks of running the hotel to taking on various other roles such as chef, driver, tour guide, travel

agent, historian, and friend. However, as has been noted in the previous customer service attribute 5 "privacy space", there might be a fine line between offering a unique personal service and disturbing a customer's privacy, and hotel owners will have to have the sensitivity of not crossing that line.

6. Efficiently meeting customer requirements: Attribute 6, efficiently meeting customer requirements, came out of the merger of expert codes E2_22, E2_23, hotel owner codes O5_13, O5_15, O5_19, and customer codes C1_18, C1_34, C2_18, C3_18, C4_18, C5_18, C5_28. Attribute 6 can be seen partly as a consequence of the requirements for service attribute (5) 'unique personal service'. The hotel owner acts as the immediate point of contact and can therefore strive to personally meet customers' requirements as much as this is possible, marking another important distinctive difference to big hotels. Customers have the advantage of only having to deal with one individual, not going through a line of contact persons and workers, making the experience again more personal. Efficiently meeting customer requirements asks rural hotel owners to be flexible, as it can mean to provide an extra bed for one customer, but it can also mean to have a good web presence of the rural hotel for another customer.

7. Reservation system: The service attribute 7 "reservation system" emerged out of the owner code O5_16 and customer codes C1_18, C2_18, C3_18, C4_18, and C5_18. Customers stressed the importance of the rural hotel's web presence. Ideally this would be combined with an online reservation system, as customers criticised the current reservation procedures as being too complicated and inefficient. Some customers expressed their wish for more convenience, for example through the provision of an online reservation system, which allows customers to see quickly if and when rooms are available. This was only provided by one of the interviewed hotel owners (hotel owner 5). Another important issue regarding the reservation system relates to payment procedures. Currently, when making a booking, hotel owners require payment within three days to secure the

room. However, there is no standard (safe) payment system (such as PayPal) and money transfer can be quite complicated and cumbersome for customers. There is also a lack of legal regulations on things such as deposits and refunds. How high should a deposit be? Will a deposit be refunded in case of a Typhoon, when customers cannot travel to their holiday destination? Some hotels do not refund money, while others give out vouchers with a limited validity. However, this will need to be set into a legal framework and will make it easier for rural hotel owners to conceptualise their reservation system.

8. Shuttle service: The attribute "shuttle service" came out of three codes, expert code E2_18, owner code O1_18, and customer code C3_29. As the name suggests, rural hotels are in rural areas, and these are sometimes not easy to access. Customers may get lost on the way, the GPS system may not work in some remote areas, or natural forces (Typhoon, mudslide) may have caused road blockages, which would require visitors to take a (unknown) bypass. For these reasons providing a shuttle service is an important customer service attribute in Taiwanese rural hotels. Not only do hotel owners pick customers up from train stations, or guide customers in their own car through the final turns to the hotel, but it has also turned out that customers sometimes get lost on their day trips, with no one else to turn to other than the hotel owner. It is therefore important for hotel owners to be able to locate, pick up, or redirect customers to the hotel if and when needed. In addition some roads to rural hotels do require cross-country mobility, and some of the local hot spots, for example in the mountains, may only be visited with special off-road equipment. Customers are therefore often dependent on the hotel owner to provide support through a shuttle service.

9. Breakfast provided: Attribute 9 "breakfast provided" emerged from expert codes E2_8, E2_21, owner codes O1_10, O2_4, O3_8, O4_9, O5_6, and customer codes C1_26, C3_26, C4_26, C5_23. Due to the remote location of some of the rural hotels, with nowhere else to go to easily buy food, customers

appreciate it when breakfast is provided directly at the hotel. Hotel owners may decide if they include breakfast in the price or not. "Breakfast provided" is one of four food attributes, attribute 10 (feature of food), attribute 11 (selection of food), and attribute 12 (local produce). "Breakfast provided" may be combined with the other food attributes, using local ingredients, providing a range of food, and presenting it in a special way.

10. Feature of food: Feature of food is the service attribute that emerged from expert codes E2_8, E2_21 O1_9, owner codes O1_12, O4_13 C1_27, and customer codes C3_27, C3_32, C3_33, C4_27, C4_30, C5_21, C5_27. Eating constitutes a major preoccupation, concern and form of enjoyment in Taiwan. In Mandarin and Taiwanese a way of asking 'how are you?' is to enquire 'jia ba bwue', literally meaning 'have you eaten your fill yet?', and Taiwanese food offers a rich variety. Experts and hotel owners see this as another chance of building a competitive advantage in rural hotels. Rural hotel owners can prepare and provide feature food – food that is home cooked, following a secret recipe, with home grown ingredients, that is characteristic for the owner and the house, and gives attention to detail in the presentation of the food. For example a rural hotel placed in a lotus farm may provide a 'lotus hot pot' as their feature food. The customer can enjoy the dish with a view of the lotus field, and the owner, while pouring the soup into the customer's bowl, may comment and explain the unfolding process, how the lotus flower blooms when the hot soup is poured over it, releasing a special fragrance, providing a spectacle for the customer and giving the soup its unique and distinctive flavour. The customer may get some further instructions how to best enjoy this meal. "Feature of food" is one of four food attributes, next to attribute 9 "breakfast provided", attribute 12 (local produce), and the following attribute 11 "selection of food".

11. Selection of food: "Selection of food" came out of expert codes E2_8, E2_21 and owner codes O1_11, O4_10, O5_7. Although customers did not explicitly

mention selection of food in the interviews, hotel owners remarked that offering a selection of foods was a service in response to customer requirements. Although rural hotels provide basic accommodation the interviews revealed that customers still expect to be offered a selection of food, which stresses again the important role of food in the Taiwanese society. At the very least customers would expect (mainly related to breakfast, as this is almost always provided in rural hotels) a vegetarian option. This may be related to the Taiwanese culture and the prominent role of various different religions in Taiwan, which may restrict customers' diet. Buddhists for example do not eat meat. Some Taoists do not eat beef. "Selection of food" is one of four food attributes, next to attribute 9 (breakfast provided), attribute 10 (feature of food), and the next attribute 12 (local produce).

12. Local produce: Attribute 12 (local produce) is the result of the merger of expert attribute E2_25, owner attributes O1_13, O2_5, O2_11, O3_6, O3_9, O4_14, O5_8, and customer attributes C1_28, C3_28, C3_34, C4_28, C5_21, C5_27. This attribute bears a cultural dimension. Considering the important role food takes in the Taiwanese society and considering the rich diversity in different parts of the country, Taiwanese often travel to a particular area just to taste a particular kind of food, or to visit a particular famous restaurant. Customers would often inquire from hotel owners which particular restaurant was the 'must go' restaurant and sometimes even depended on hotel owners to make a booking for them. Similarly certain areas are famous for snacks or fresh fruits that customers buy in bulk (some people take home a car load of fruits) to take it back home and share it with family and friends. Again, this will often require pre-booking, which may require the assistance of the rural hotel owner. Local produce, or the customers' demand for local produce, is also an important element in the rural hotels' connection and contribution to the local community. Local produce is one of four food attributes, next to attribute 9 (breakfast provided), attribute 10 (feature of food), and attribute 11 (selection of food).

13. Narration of Taiwanese rural hotel: The attribute "narration of Taiwanese rural hotel" resulted out of a merger of expert codes E1_10, E1_11, E1_4, E2_4, E2_5, E2_7, E2_11, owner codes O1_20, O2_12, O4_17, O5_14 C1_11, and customer codes C1_12, C1_13, C1_14, C1_23, C1_31, C1_32, C2_11, C2_12, C2_13, C2_14, C2_23, C3_11, C3_12, C3_13, C3_14, C3_23, C4_11, C4_12, C4_13, C4_14, C4_23, C4_29, C5_11, C5_12, C5_13, C5_14. An important and distinctive feature of Taiwanese rural hotels is the inclusion of a narrative about the hotel. Hotel owners would share stories about the culture and history of the area, their personal history, motivation of opening a rural hotel, and background information about the concept of their particular rural hotel. "Narration of rural hotel", with the owner showing his passion and heart sweat for the rural hotel, forms another distinctive element of the Taiwanese rural hotel phenomenon. It can contribute to the special relationship between hotel owners and customers, and it can be a competitive advantage in the rural hotels' performance. With 38 codes it is one of the most prominent of the 21 customer service attributes.

14. Experience of rural life: "Experience of rural life" emerged out of 28 codes, expert codes E1_11, E2_4, E2_7, E2_11, owner codes O1_7, O1_8, O2_3, O3_5, O4_11, O4_17, O5_17, and customer codes C1_15, C1_16, C1_25, C2_15, C2_16, C2_25, C3_15, C3_16, C3_25, C3_30, C3_31, C4_15, C4_16, C4_25, C5_15, C5_16, C5_25. Key to the concept of rural hotels is the combination of farming and natural ecology with tourism activities. Tourists are attracted into rural areas by their climate, natural features, landscape quality and rural life-styles. People from the metropolis can enjoy farm holidays, which bears a social component as the general public learns more about rural life and agriculture (Knight, 1999; Hsu, 2005). Popular farm experiences include animal feeding, fruit picking, flower crafting, green tea harvesting and roasting, or rice harvesting. These activities include explanation of farming processes and increases customers' awareness of the symbiosis between human and nature.

15. Itinerary planning: The attribute "itinerary planning" is a result of the merger of expert codes E1_5, E1_4, E1_7, E1_8, E1_9, E1_17, E2_6, owner codes O1_17, O2_8, O3_14, O3_15, O4_18, and customer codes C1_7, C1_8, C2_7, C2_8, C3_7, C3_8, C4_7, C4_8, C5_7, C5_8. "Itinerary planning" refers to the customers' request or the hotel owners offer to assist customers in the planning of trips in the vicinity of the rural hotel. Due to the nature of many of the activities offered near rural hotels customers often appreciate the support of rural hotel owners. A good example is the activity of whale watching. Whale watching boats usually leave port around 6am. The trip is usually preceded by a presentation about wildlife. Furthermore, taking part in this activity requires participation in a safety induction and taking out an insurance policy. These things cannot be easily organised on the spot. The insurance policy for example needs to be taken out the day before, because insurance companies do not start office before 8am. Customers who wish to go on the tour also need to bring with them an ID, and prepare themselves otherwise (Taiwanese usually do not take boat trips and generally avoid the sea) with things such as enough water for the trip, sun hat and cream, or sea-sick pills – and they need to have breakfast and transport arranged for them very early in the morning. A rural hotel owner, who is familiar with the intricacies of the activity can be a valuable, sometimes necessary, help for rural hotel customers. It was found that rural hotel owners often offer a range of set day-trips, which customers can choose from prior to their arrival. There is an emphasis in "itinerary planning" on the word "planning", as rural hotel owners may plan or provide information for a trip. However, and while the attribute may be combined with another attribute "shuttle service", it does not necessarily require the rural hotel owner's presence in the activity. Joint activities would fall into another category, attribute 16 (local sightseeing consultation), which will be discussed next.

16. Local sightseeing consultation: The attribute "local sightseeing consultation" emerged from expert codes E1_6, E1_4, E1_5, E1_7, E1_8, E1_9, E1_17, E2_6,

owner codes O2_7, O6_8, and customer codes C1_6, C2_6, C2_27, C3_6, C4_6, C4_34, C4_35, C5_6. In contrast to the above attribute 15 (itinerary planning) where the hotel owner organises for customers to go on a trip without him, the service attribute 'local sightseeing consultation' refers to a joint activity between rural hotel owner and his customer(s). It relates to taking customers to certain secret spots in the vicinity of the hotel, which would otherwise remain unknown to tourists (the author's supervisor for example, who visited a rural hotel in Taiwan during the writing of this thesis, was taken to a nearby "secret river", where he found Taiwan jade). Local sightseeing consultation may also refer to the hotel owner's cultural background. For example, if he is a member of a certain aboriginal tribe, he can take customers to a special tribal festival and introduce customers to aboriginal traditions. Hence this attribute is also closely linked to attribute 5 (unique personal service) and the bounding between hotel owner and customer.

17. Convenience of parking: The service attribute "convenience of parking" came out of expert code E2_17 and owner codes O1_22, O2_13. With the lack of public transport and the immense growth of rural hotels, convenience of parking has become an important attribute. Especially in areas where there may be more than one rural hotel or where there may be parking restrictions due to difficult terrain or National Park regulations customers expect to be assured convenient parking for their vehicle.

18. Location: Service attribute 18 "location" is the result of the merger of expert codes E1_3, E1_7, E1_8, E1_9, E1_17, owner codes O1_15, O1_19, O2_6, O3_16, O4_6, O4_7, O4_20, O5_18, O6_6, O6_10, and customer codes C1_24, C2_24, C3_24, C4_24. This attribute refers to two things. The proximity of the rural hotel to activities offered, and the placement of the hotel in the area, i.e. if the hotel is near the beach customers expect to have a hotel (room) with sea view. It is a key attribute as rural hotel customers visit rural hotels to be close to nature

and away from the city. Through its "location", the Taiwanese rural hotel differentiates itself from Taiwanese B&Bs and homestays.

19. En-suite bathroom: The service attribute "en-suite bathroom" came out of a merger of expert codes E2_19, owner codes O1_3, O2_1, O3_4, O4_3, O5_5, and customer codes C1_5, C2_5, C3_5, C4_5, C5_5. All of the rural hotels that the author visited for interviews had en-suite bathrooms. The experts referred to en-suite bathrooms as a necessity, and customers throughout stated that they expected en-suite bathrooms. This attribute confirms Hu et al's (2012) and Wu and Yang's (2010) observation that both, the standard of services offered and the expectation of services, at Taiwanese rural hotels has risen.

20. Security: The customer service attribute "security" is the only stand alone attribute. It was derived from the interview with expert 2 and code E2_14. This attribute was included mainly because it is one of the few customer service relevant issues that are mentioned in the regulation for Taiwanese homestays (Taiwan Tourism Bureau, 2011).

21. Design and decoration: The customer service attribute "design and decoration" was derived from expert codes E1_12, E1_13, E1_14, E2_9, E2_10, E2_12, E2_16, owner codes O1_5, O1-21, O2_2, O2_9, O3_2, O3_3, O4_2, O4_5, O4_12, O4_19, O5_1, O6_4, O6_5, O6_9, and customer codes C1_20, C2_20, C2_26, C3_20, C4_20, C4_31, C4_33, C5_20. With 29 codes it is one of the most prominent of the 21 customer service attributes. Design and decoration attributes in rural hotels does not call for state of the art and award winning design features in rural hotels, but stresses that rural hotel owners should make an effort in distinguishing themselves from standard (big chain) hotels through incorporating the owners' personality in the appearance of the hotel. This may be manifest in a theme that goes through the entire hotel. Hotel owner 2 for example was fascinated about coffee and the hotel was decorated like a coffee shop, with coffee features to be found throughout the hotel. Even without an apparent

connection to the hotel's vicinity, such a personal note reflected in the hotel's appearance can become a distinguishing and valuable aspect of the business. "Design and decoration" may also refer to a great diversity, without a common line throughout the hotel. Beddings in each room can be different; rooms don't have to have room numbers but may rather have 'thematic names'. Hotel owners who belong to a certain aboriginal tribe may also include their tribal features into the appearance of rooms and general facilities. Overall, each rural hotel should, while meeting a minimum standard service quality level, have its own distinctive feature, character, or personality – creating an unforgettable experience for customers.

ew of Taiwanese rural hotel customer service attributes with code allocation

e Attributes	Expert codes	Owner codes	Customer codes
	E1_15, E2_15	O1_1, O3_12, O5_2	C1_1, C1_2, C2_1, C2_2, C3_1, C3_2, C4_1, C4_2, C5_1, C5_2
	E1_1, E1_13, E2_1, E2_2, E2_13	O1_2, O3_13, O4_1, O4_16, O5_3, O6_1	C1_1, C1_3, C2_1, C2_3, C3_1, C3_3, C4_1, C4_3, C5_1, C5_3
ties	E1_14, E2_16	O1_4, O4_4	C1_1, C1_4, C2_1, C2_4, C3_1, C3_4, C4_1, C4_4, C5_1, C5_4
	X	O1_6	C5_24
al service	E1_2, E1_10, E1_11, E1_16, E2_3, E2_4, E2_5, E2_11, E2_20, E2_24	O1_14, O1_16, O3_1, O4_8, O4_15, O5_11, O5_12, O6_2, O6_3	C1_9, C1_17, C1_19, C1_21, C1_22, C1_29, C1_30, C1_33, C1_35, C2_9, C2_17, C2_19, C2_21, C2_22, C2_28, C3_9, C3_17, C3_19, C3_21, C3_22, C4_9, C4_17, C4_19, C4_21, C4_22, C4_32, C4_35, C5_9,

			C5_17, C5_22, C5_26
ting customer requirements	E2_22, E2_23	O5_13, O5_15, O5_19	C1_18, C1_34, C2_18, C3_18, C4_18, C5_18, C5_28
stem	X	O5_16	C1_18, C2_18, C3_18, C4_18, C5_18
	E2_18	O1_18	C3_29
ided	E2_8, E2_21	O1_10, O2_4, O3_8, O4_9, O5_6	C1_26, C3_26, C4_26, C5_23
	E2_8, E2_21	O1_9, O1_12, O4_13	C1_27, C3_27, C3_32, C3_33, C4_27, C4_30, C5_21, C5_27
ood	E2_8, E2_21	O1_11, O4_10, O5_7	X
e	E2_25	O1_13, O2_5, O2_11, O3_6, O3_9, O4_14, O5_8	C1_28, C3_28, C3_34, C4_28, C5_21, C5_27
Taiwanese rural hotel	E1_10, E1_11, E1_4, E2_4, E2_5, E2_7, E2_11	O1_20, O2_12, O4_17, O5_14	C1_11, C1_12, C1_13, C1_14, C1_23, C1_31, C1_32, C2_11, C2_12, C2_13, C2_14, C2_23, C3_11, C3_12,

			C3_13, C3_14, C3_23, C4_11, C4_12, C4_13, C4_14, C4_23, C4_29, C5_11, C5_12, C5_13, C5_14
f rural life	E1_11, E2_4, E2_7, E2_11	O1_7, O1_8, O2_3, O3_5, O4_11, O4_17, O5_17	C1_15, C1_16, C1_25, C2_15, C2_16, C2_25, C3_15, C3_16, C3_25, C3_30, C3_31, C4_15, C4_16, C4_25, C5_15, C5_16, C5_25
ıing	E1_5, E1_4, E1_7, E1_8, E1_9, E1_17, E2_6	O1_17, O2_8, O3_14, O3_15, O4_18	C1_7, C1_8, C2_7, C2_8, C3_7, C3_8, C4_7, C4_8, C5_7, C5_8
eing consultation	E1_6, E1_4, E1_5, E1_7, E1_8, E1_9, E1_17, E2_6	O2_7, O6_8	C1_6, C2_6, C2_27, C3_6, C4_6, C4_34, C4_35, C5_6
of parking	E2_17	O1_22, O2_13	X
	E1_3, E1_7, E1_8, E1_9, E1_17	O1_15, O1_19, O2_6, O3_16, O4_6, O4_7, O4_20, O5_18, O6_6, O6_10	C1_24, C2_24, C3_24, C4_24

room	E2_19	O1_3, O2_1, O3_4, O4_3, O5_5	C1_5, C2_5, C3_5, C4_5, C5_5
	E2_14	X	X
ecoration	E1_12, E1_13, E1_14, E2_9, E2_10, E2_12, E2_16	O1_5, O1-21, O2_2, O2_9, O3_2, O3_3, O4_2, O4_5, O4_12, O4_19, O5_1, O6_4, O6_5, O6_9	C1_20, C2_20, C2_26, C3_20, C4_20, C4_31, C4_33, C5_20

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7.6. Discussion

Thomas et al. (2011) suggest that understanding small hospitality businesses, such as the rural hotel (in Taiwan), can provide a stepping stone in the wider conceptualisation of rural tourism (in Taiwan). Accordingly, critically appraising the small hotel in Taiwan may be seen as a prerequisite for synthesising the concept of rural tourism in Taiwan. Understanding what a Taiwanese rural hotel is also provides opportunities for measuring customer satisfaction. This is important because customer satisfaction is considered to play an important role in the survival and success of hospitality services (for example Chung and Petrick, 2012; Hu et al., 2009), such as the Taiwanese rural hotel. However, because little is known about the Taiwanese rural hotel, especially from a customer service perspective, an empirical investigation on the nature of the Taiwanese rural hotel was necessary from a customer service perspective. This was done under consideration of several shortcomings and pitfalls that were identified in the literature review.

First, the literature was critiqued for a lack of transparency on how customer service attributed were derived at, not providing adequate information on the customer service attribute identification process. Some studies (Ramanathan and Ramanathan, 2013; Torres and Kline, 2013; or Zane (1997) do not provide any information on how customer service attributes are identified. In order to address this gap this chapter provided detailed information on the customer service attribute identification process. Each of the 13 interviews was coded and these codes were presented in a table for each interview and throughout the chapter. There were a total of 42 expert codes (17 for Expert 1, 25 for Expert 2), 101 hotel owner codes (22 from owner 1, 13 from owner 2, 16 from owner 3, 21 from owner 4, 19 from owner 5, and 10 from owner 6), and 160 customer codes (35 from customer 1, 28 from customer 2, 34 from customer 3, 35 from customer 4, and 28 from customer 5). In total all 13 interviews together accounted for 303

interview codes. Starting with the expert interview code tables this chapter "built up the tables" and incorporated more codes from other interviews, so to build up the table throughout the chapter. The end result of this building up is table 7.17, which shows the synthesis of all 303 interview codes into 21 final categories (i.e. customer service attributes). Table 7.17 shows each customer service attribute with all its respective expert codes, hotel owner codes, and customer codes.

Second, apart from providing transparency, one issue from the literature concerned the relevance of customer service attributes, i.e. how a researcher could identify "relevant" customer service attributes. The literature was critiqued for studies on customer satisfaction in tourism that often do not provide detailed information on how customer service attributes are identified (Ramanathan and Ramanathan, 2013; Torres and Kline, 2013; Zane, 1997). Where information is provided, it became apparent that many studies use secondary data only for identifying customer service attributes (Yang et al., 2011a; Su and Sun, 2007; Li et al., 2012; Loureiro, 2007; Han et al., 2011; Magnini et al., 2011; Kandampully and Suhartanto, 2003; Yuksel and Rimmington, 1998). This might be problematical regarding to the relevance of customer service attributes, i.e. as how relevant a certain attribute is perceived by a certain target group (it would appear logical to include customers in an attribute identification process for a study on customer satisfaction; and it would appear logical to focus on Taiwanese literature, as much as this is possible, in a study on the Taiwanese rural hotel and to consider international literature, but to do so in awareness of possible cultural differences). Similarly, deriving at customer service attributes through a review of the literature only is also seen critical, as it bears the danger of including attributes that do not fit a particular research context, and hence devaluates the results of a study. Likewise, relying on one source of information for identifying customer service attributes alone might be problematical and tourism researchers (for example Masadeh, 2012; Heimtun and Morgan, 2012; Pansiri, 2006; Pansiri, 2005; Downward and Mearman, 2004; Davies, 2003) have called for a

combination of research methods. It was contended that, in order to achieve relevant results, customer service attributes should be identified, in addition to a literature review, through primary data, using interviews, and importantly, incorporating all key stakeholders.

Comparing this study's approach to the studies identified in the literature (see table 7.18, which builds on table 5.1 from the summary chapter on how customer service attributes were identified), it becomes apparent that four of those studies have used interviews (in combination with other methods) to identify customer service attributes. Chen et al. (2012) conducted eight in-depth interviews with customers who had previously stayed at a B&B. Hu et al. (2012) interviewed three experts. Tsai (2007) conducted interviews, but does not reveal how many or with whom. Chi and Qu (2009) conducted interviews (and focus groups) but fail to provide sufficient detail on who and how many people were interviewed, or what questions were asked. While Chi and Qu (2009) state that people "from various groups" (Chi and Qu, 2009:10) participated in the interviews and focus groups, and Tsai (2007) does not reveal who was interviewed, it is apparent from the other two studies, Chen et al. (2012) and Hu et al. (2012), that they consulted only one interest group, customers (Chen et al., 2012) and experts (Hu et al., 2012) respectively. As discussed, this may be problematical, especially when the interest group is not the customers. This seems to be the case in Hu et al's (2012) study. Hu et al. (2012) evaluated the performance of homestays in Taiwan and identified 30 criteria, which they then applied in a questionnaire to a research sample of 80 people (77 customers and three hotel owners). Looking more carefully at those 30 criteria Hu et al. (2012) came up with, it seems that some of them may not be relevant to customers. For example, their "criteria" ask customers if "natural ventilation was used sufficiently", if "non-toxic paint was used", if "the land's vitality and good condition in the process of design and construction was maintained", or if "a contribution was made for living quality of the local community". It is difficult to imagine how a homestay customer would be

able to answer those questions, especially in a questionnaire. However, as Hu et al (2012) still achieved (the unusually high) return rate of 100 percent (80/80) this thesis author's contention that some of Hu et al's (2012) attributes may not be relevant to customers might be wrong. As Hu et al. (2012) do not provide any more information, this cannot be said with any certainty.

Looking at the final codes and customer service attributes in table 7.17 it appears that including several stakeholders was important in various ways. On one hand it provides an opportunity for data triangulation. Indeed, this shows that respondents from the three main interest groups experts, owners, and customers, agreed in 16 out of 21 customer service attributes, showing a high consistency of results. However, the five instances in which respondents from the key interest groups did not fully agree with each other are equally interesting. "Privacy space" and "reservation system" were both not mentioned by experts, but they appeared to be important to owners and customers. In particular "reservation system" appeared to be important as it was mentioned by all five customers. Had experts only been consulted these two attributes would have been missed. It might be a coincidence that the experts missed out on the attribute "reservation system", as problems with a lack of regulations call policy makers and government representatives into action. The problems associated with attribute 7 (reservation system) are related to a lack of regulations. Problems occurred regarding the payment procedure and issues relating deposits. As there is no regulation on deposits, customers do not know if a deposit is to be paid upon booking, which payment methods may be acceptable, or if deposits were refundable, for example in the event higher nature, such as the occurrence of a typhoon. "Selection of food" and "convenience of parking" were both not mentioned by customers, but perceived to be important by experts and owners. "Security" was only mentioned by Expert 2.

Comparing the results with the literature allows comparison for example of the number of attributes. The overview of customer service attributes in table 3.2 (chapter 3) showed a range of customer service attributes from 2 attributes (Tsai, 2007) to 33 attributes (Chi and Qu, 2009). The 21 attributes identified in this study therefore are within the existing range of customer service attribute studies. However, comparing attributes regarding to content is more difficult. The critique of the literature raised issues pertaining to customer service attributes in the literature; that the attributes themselves are not listed (Yuksel and Rimmington, 1997), no information is provided on how they were identified (Ramanathan and Ramanathan, 2013; Torres and Kline, 2013; Zane (1997), no detailed information is given how they were derived at (Tsai, 2007), no information on the (in the case of Yuksel and Rimmington, 1997, geographical) context is given; they were identified using secondary sources only (Yang et al., 2011a; Su and Sun, 2007; Loureiro, 2012; Kandampully and Suhartanto, 2003); that they were not applied and tested on a research sample (Su and Sun, 2007; Ramanathan and Ramanathan, 2013; Tsai, 2007; Loureiro, 2012); or that no narrative is provided describing or explaining the meaning of an attribute (as has been done in section 7.5 of this chapter). Accordingly, the mere appearance of the same or a similar attribute in the literature is of little value. If the 21 customer service attributes identified in this study are matched with the attributes in table 3.2 (chapter 3) then every single attribute could be matched with one existing attribute in table 3.2. However, for the reasons explained, this is considered not useful. What is more interesting is to say that a particular attribute influenced overall satisfaction or return intention, and that this is (dis)similar to what others have found in not the same, but related contexts (e.g. a hot spring hotel in Taiwan). This can be done after the attributes have been applied to their research population. This will be done in the next chapter.

In summary, the Taiwanese rural hotel, as identified in this study, should be a clean, safe, and comfortable place, with en-suite bathroom, adequate privacy

space, and in-room amenities. When booking the hotel, customers expect an efficient reservation system. When arriving, they want a shuttle service, either to be picked up from the train station or to take them around the area. When customers travel by car, they want to be provided with a safe parking space.

The rural location of the hotel is important and the hotel itself should resemble some of the surrounding nature and identity in the design and decoration, as well as in its (hi)story.

In terms of experience customers expect a unique personal service that efficiently meets their requirements. They want to experience rural life with adequate itinerary planning and local sightseeing consultation. An important aspect of the rural hotel experience is food, not just in that it is provided, but that it has a feature, that there is a selection of food available, and that it is prepared by the owner using local or home-grown ingredients.

In summary what is apparent from the above description is that the Taiwanese rural hotel consists of what could be referred to as 'general' hotel attributes, such as cleanliness (Ramanathan and Ramanathan, 2013; Li et al., 2012; Han et al., 2011; Magnini et al., 2011; to name but a few), security (Yang et al., 2011a), parking (Loureiro, 2012), an en-suite bathroom (Zane, 1997), or efficiently meeting customer requirements (Wu and Yang, 2010) (see table 3.1 in chapter 3 for more comparisons), but that it also has certain distinguishing characteristics that have particular resonance in Taiwan. Amongst these are the "narration of the rural hotel" (13), "experience of rural life" (14), "unique personal service" (5), and "design and decoration" (21).

Indications for these are that they don't occur as often and clearly formulated in the international literature, that they are more context specific, and that they had many codes ascribed to it in the identification process (see table 7.17 again for

comparison). It can be considered therefore that these attributes play a special role and that they deserve special attention.

The final table in this chapter, table 7.18, which builds on table 5.1 from the literature summary chapter (chapter 5) on how customer service attributes were identified in other relevant studies, compares the research approach chosen to identify customer service attributes for Taiwanese rural hotels in this study to the literature. It suggests that the results of the present study are based on a more rigorous methodology and a larger sample than comparative studies in Taiwan and that they present valid attributes for the measurement of customer satisfaction in Taiwanese rural hotels.

The 21 customer service attributes are context specific, as they were identified incorporating different stakeholder perspectives. However, "how good" or "relevant" these 21 customer service attributes really are needs to be assessed through their application to a representative research sample, (for example Chen et al., 2013; Yang et al., 2011a), and testing their applicability and validity through quantitative means and obtaining customer feedback in a Taiwanese rural hotel context. This will be done in the next chapter.

ative study in current research context

esearch Method	Number of attributes	Applied to	Context	Country	Method(s) employed in present study
terature review, nterviews (8)	22	270/300 B&B visitors of 22 B&Bs in one county, using questionnaire	B&B marketing	Taiwan	√
terature review, nterviews (3)	30	80/80 homestay customers of two homestays in one county, using questionnaire	performance of homestays	Taiwan	√
terature review nly	24 or 52[29]	234/400 customers at one business and one resort hotel, using questionnaire	customer satisfaction in business and resort hotels	Taiwan	√
terature review, uestionnaire .34/150)	25	295/450 customers of 6 B&Bs in one county, using questionnaire	B&B customers' revisiting desires	Taiwan	partly (except questionnaire)
terature review,	23	tour guides and group	determining critical	Taiwan	√31

n Yang et al's (2011a) paper if they used 24 or 52 attributes, as both numbers are mentioned.
) do not provide information on the Delphi method they have employed and how many or what kind of specialists were

elphi method30		hosts of travel agencies at four hot spring hotels, using questionnaire (unknown research population)	service attributes in hot spring hotels		
uestionnaire[32]	21	371/600 tourists in one National Park and one Scenic Area, using questionnaire	customer satisfaction in hot spring hotels	Taiwan	X
terature review nly	12	not applied[33]	hotel rating system	Taiwan	√
overnment ocuments, terature review, nterviews[34]	2	not applied	agricultural globalisation and rural tourism development	Taiwan	√
nknown	7	not applied	customer loyalty	UK	not applicable

esent study two experts have been consulted to check the attributes' relevance; the author believes that this may be Hsieh et al. (2008) have done.
) do not provide information on the Delphi method they have employed.
ides no information about the sample size or any other information regarding the questionnaire
07) attributes were not used in a questionnaire but compared to rating systems from the UK, US, and China
les no information about how many interviews and with whom they were conducted

ıknown	27	applied to 105/119 customer feedback letters of 4*/Diamond hotels	customer delight	USA	not applicable
erature review, ıntent analysis 2,886/51,880)	15	42,886/51,880 online reviews of 774 star rated luxury and budget hotels	customer satisfaction	China	√
erature review nly)	22	not applied	quality in rural tourism	Portugal, Spain	√
erature review	10	358/1090 guests at three upper-midscale hotels, using questionnaire	switching barriers in the hotel industry	US	√
ıntent analysis	11	743/1268 travel blogs	customer delight	60 countries	√
erature review, terviews[35], cus group	33	345/1000 visitor responses, using questionnaire	attribute satisfaction and overall satisfaction	US	partly (except focus group)
erature review	4	106/237 guests in five	customer	New	√

) provide no information on what kind of or how many people were interviewed

		chain hotels in Christchurch, using questionnaire	satisfaction and image gaining in chain hotels	Zealand	
ɛrature review, ot test with 30 stomers	12	401/460 restaurant customers of one chain restaurant, using questionnaire	customer satisfaction measurement, food industry	unknown	√
known	10	1,393/5100 B&B guests of 159 B&Bs in 39 states	B&B guest profile	US	not applicable

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CHAPTER 8: CUSTOMER SATISFACTION IN TAIWANESE RURAL HOTELS

8.1. Introduction

This chapter presents findings of the quantitative part of the investigation. The findings presented here are based on the customer satisfaction survey which was conducted in 38 Taiwanese rural hotels in 2008. 1,500 questionnaires were sent out to rural hotels in the three prime areas for rural hotels, the counties of Hualien, Nantow and Yilan. The survey was conducted over a period of 40 consecutive days during the festive period (Chinese New Year) and included five weekends. In total 1,161 questionnaires were returned, the equivalent of a 77.4 percent response rate. The presentation of this chapter largely follows the structure of the questionnaire.

The chapter sets out in section 8.2 (part A of the questionnaire) with characteristics of Taiwanese rural hotel customers, providing information about sex, age group, the method used for choosing the rural hotel, as well as the average length of stay. Before considering the various conceptualisations for measuring customer satisfaction section 8.3 discusses the statistical approaches used in this study, internal reliability (section 8.3.1), construct validity (section 8.3.2), factor analysis (section 8.3.3), frequency analysis of customers' overall satisfaction (question D.1) and return intentions (question D.2) (section 8.3.4), and linear regression analysis (section 8.3.5).

The chapter then moves on to the analysis of parts B and C of the questionnaire, presenting findings from the four different conceptualisations for customer satisfaction employed in this study: expectancy disconfirmation paradigm analysis (section 8.4), perceived performance only analysis (section 8.5),

importance performance analysis (section 8.6), and revised importance performance analysis (section 8.7). Section 8.8 presents additional attribute information on the Taiwanese rural hotel product on the best service attributes (question D.3), the worst service attributes (question D.4), and areas with the biggest potential for improvement (question D.5). The chapter closes with a discussion of results in section 8.9.

8.2. Customer profile

As Taiwanese rural hotels are a popular but still relatively new phenomenon little is known about the characteristics of their customers. Based on data obtained from 1,161 questionnaires in rural hotels in Hualien, Nantow, and Yilan this section provides insight on the Taiwanese rural hotel customer, providing information on gender, age group, how they chose the hotel, and length of stay. The descriptive statistics illustrating the profile of respondents are shown below.

8.2.1. Gender

Question A1 asked for the customer's gender. Of all returned questionnaires 58 percent (673 customers) of respondents were female and 42 percent (488 customers) of respondents were male. This shows that slightly more females stayed at rural hotels during the survey period. This is displayed in table 8.1.

Table 8.1: Gender of Taiwanese rural hotel customer

Gender	Frequency	Percent
Male	488	42.0
Female	673	58.0
Total	1,161	100

8.2.2. Age group

Question A.2 asked of customer's age. Respondents were provided with six optional answers below 20 years of age, between 21 and 30, between 31 and 40, between 41 and 50, between 51 and 60, and over 61. The most prominent age group of visitors to Taiwanese rural hotels was the age group between 21 to 30 years of age, with 404 customers in this category, an equivalent 34.8 percent of all customers. This was relatively closely followed by the age group 31 to 40 years of age, which had 381 customers, an equivalent of 32.8 percent. These two groups were clearly the most prominent groups, making up 67.6 percent of all visitors. Considerably less customers were from the age group 41 to 50 years of age, with 161 customers, an equivalent 13.9 percent, and similarly customers from the age group under 21 years of age, with 141 customers, equivalent to 12.1 percent. Very clearly the lowest number of customers belong to the age groups over 50. 63 customers (5.3 percent) were in the age group 51 to 60 years, and only 11 customers (0.9 percent) were above 61 years of age. These results are displayed in table 8.2 below.

Table 8.2: Age group of Taiwanese rural hotel customer

Age group	Frequency	Percent
Under 21	141	12.1
21-30	404	34.8
31-40	381	32.8
41-50	161	13.9
51-60	63	5.4
Above 60	11	0.9
Total	1,161	100

8.2.3. Methods for choosing a rural hotel

Question A.3 asked customers on what basis they chose a rural hotel. Prepared tick box answers were provided with the options 'recommended by friends', 'magazine, newspaper, etc.', 'TV programme', 'travel agent', 'internet', 'been

before', and 'other'. Respondents were asked to tick not more than two options in order to identify the two most prominent sources of information used to obtain information for choosing a rural hotel. In total 2,246 options were selected. The top option was 'recommended by friends', which was ticked by 690 customers, equivalent to 59.4 percent. This was closely followed by the second most prominent option 'internet', which was ticked by 684 customers, an equivalent of 58.9 percent. Considerably lower, but still representative, was the section 'magazine, newspaper, etc.', which 347 customer chose, equivalent to 29.9 percent. 222 customers, or 19.1 percent, had stayed at the rural hotel before. Despite the popularity of travel programs in Taiwan 'TV programme' was only chosen 212 customers (18.3 percent). Arrangements by 'travel agent' only occurred in 58 customers (5 percent). The option 'other' was chosen by 33 customers (2.8 percent). These results are displayed in table 8.3 below.

Table 8.3: Methods for choosing a rural hotel

Methods	Frequency	Percent
recommended by friends	690	59.4
magazine, newspaper, etc.	347	29.9
TV programme	212	18.3
travel agent	58	5.0
Internet	684	58.9
been before	222	19.1
other	33	2.8
Total	2,246	-

8.2.4. Length of stay

Question A.4 was an open question and asked customers about the length of their stay. Customers could provide the number of days in a blank field next to the question. The answers from respondents ranged from one night (314 customers / 27 percent), two nights (749 customers, / 64.5 percent), three nights (90 customers / 7.8 percent), to four nights (8 customers / 0.7 percent). This shows a great majority of customers prefer short stays at rural hotels, with two

nights being the most prominent option, followed by one night stays. Only few customers stay three or four nights and from all 1,161 customers no respondent reported staying longer than four nights. The findings are displayed in table 8.4 below.

Table 8.4: Length of stay Taiwanese rural hotel customer

Length of stay	Frequency	Percent
1 night	314	27.0
2 nights	749	64.5
3 nights	90	7.8
4 nights	8	0.7
Total	1,161	100

8.3. Statistical approaches

8.3.1. Internal reliability

Given its critical role this section on statistical approaches starts with presenting the results of reliability and construct validity of the research instrument. Reliability was assessed for both the importance scales (section B of the questionnaire) and the performance scales (section C of the questionnaire). Both sections used the same five point Likert scale and the scales were subjected to a reliability analysis to assess the quality of the measure by using Cronbach alpha. The literature suggests various different values as the minimum standard values for data to be considered having good reliability. Nunnally and Bernstein (1994) or more recently Deng (2007) for example state that good internal reliability is given with a Cronbach alpha value above 0.70. Kozak (2003) suggests that this standard should be above 0.80. The total scale reliability for importance scales (section B) was 0.88 and the total scale reliability for performance scales (section C) was 0.91. Hence the results exceed both of the suggested minimum standards as set forth in the literature and indicate that the sample of the items performed

well in capturing the measured construct (Nunnally, 1967) and that results are internally reliable.

Table 8.5: Internal reliability

Internal Reliability	Internal consistency of importance scales (section B)	0.88
	Internal consistency of performance scales (section C)	0.91

8.3.2. Construct validity

Following the reliability test the criterion / construct validity of the scale was assessed. Construct validity was examined by assessing the relationship of the scales with other constructs or indicators such as convergent and predictive validity (Churchill, 1979) and using Pearson product-moment correlation coefficient (or Pearson correlation coefficient for short). The Pearson correlation coefficient is a measure of the strength and direction of association that exists between two variables and is denoted by *r*. The Pearson correlation coefficient, r, can take a range of values from +1 to -1. A value of 0 indicates that there is no association between the two variables. A value greater than 0 indicates a positive association, that is, as the value of one variable increases so does the value of the other variable. A value less than 0 indicates a negative association, that is, as the value of one variable increases the value of the other variable decreases. The stronger the association of the two variables the closer the Pearson correlation coefficient will be to either +1 or -1, depending on whether the relationship is positive or negative. An *r* value between 0.1 and 0.3 indicates a small strength of association, an *r* value between 0.3 and 0.5 indicates a medium strength of association, and an *r* value between 0.5 and 1 indicates a large strength of association (Lund, 2010).

To test for convergent (concurrent) validity the instrument included the global measure of overall customer satisfaction (D1). The Pearson correlation

coefficient between the scale index and the global measure was 0.32. This positive relationship demonstrates convergent validity with a medium strength of association (see table 8.6).

Table 8.6: Convergent (concurrent) validity

		Performance scales	Overall satisfaction
Performance scales	Pearson Correlation	1	0.322**
	Sig. (2-tailed)		0.000
	N	1161	1161
Overall satisfaction	Pearson Correlation	0.322**	1
	Sig. (2-tailed)	0.000	
	N	1161	1161

** Correlation is significant at the 0.01 level (2-tailed).

To test for predictive validity the instrument included the global measure of customers' return intention (D2). The Pearson correlation coefficient between the scale index and the global measure was 0.45. This positive relationship demonstrates convergent validity, again with a medium strength of association (see table 8.7).

Table 8.7: Predictive validity

		Performance scales	Return
Performance scales	Pearson Correlation	1	0.445**
	Sig. (2-tailed)		0.000
	N	1161	1161
Return	Pearson Correlation	0.445**	1
	Sig. (2-tailed)	.000	
	N	1161	1161

** Correlation is significant at the 0.01 level (2-tailed).

The inspection of the construct validity (convergent and predictive) findings indicates that the scales that aimed to measure Taiwanese rural hotel customers' importance and perceived performance levels are reliable and valid.

8.3.3. Factor analysis

Table 8.8 shows the test value of Kaiser-Meyer-Olkin (KMO) was 0.914. The p-value of the Bartlett's Sphericity test was significant at 0.001 < 0.05. The results of these tests show inter-correlations between the 21 customer service attributes and suggest that data is suitable for factor analysis. The results of the factor analysis can be seen in Table 8.8.

Table 8.8: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.914
Bartlett's Test of Sphericity	Approx. Chi-Square	10379.901
	df	210
	Sig.	0.000

The perceived performance of the 21 service attributes was factor-analysed using principal component analysis with orthogonal varimax rotation in order to identify the underlying dimensions or hotel factors.

A high consistency was found between the results of performance scales in terms of factors extracted and the components of factors. The five emerging factors account for 62.39 percent of the total variance in performance scale, exceeding the 60 percent threshold commonly used in social sciences to accept the solution (Hair et al., 2006).

Table 8.9 shows the results of the factor analysis with factor names, the retained attributes, the factor loading, Eigenvalue, variance and cumulative variance explained by the factor solution, as well as Cronbach alpha. The individual factors together with their respective customer service attributes are presented below.

Factor (1) Recreation service: The first factor, labelled *recreation service*, consists of four service attributes namely 'itinerary planning' (attribute 15), 'local sightseeing consultation' (attribute 16), 'experience of rural life' (attribute 14) and 'narration of rural hotel' (attribute 13). This factor has an Eigenvalue of 7.6 and accounts for 36.17 percent of the total variances. Its coefficient alpha is 0.83.

Factor (2) Facilities: The second factor, labelled *facilities*, consists of five service attributes, namely 'location' (attribute 18), 'security' (attribute 20), 'en-suit bathroom' (attribute 19), 'convenience of parking' (attribute 17), and 'design and decoration' (attribute 21). This factor has an Eigenvalue of 1.85 and accounts for 8.79 percent of the total variances. Its coefficient alpha is 0.81.

Factor (3) Hotel rooms: The third factor, labelled *hotel rooms*, consists of four service attributes, namely 'comfort' (attribute 2), 'cleanliness' (attribute 1), 'In-room amenities' (attribute 3), and 'privacy space' (attribute 4). This factor has an Eigenvalue of 1.41 and accounts for 6.72 percent of the total variances. Its coefficient alpha is 0.80.

Factor (4) Food service: The fourth factor, labelled *food service*, consists of four service attributes, namely 'selection of food' (attribute 11), 'feature of food' (attribute 10), 'breakfast provided' (attribute 9), and 'local produce' (attribute 12). This factor has an Eigenvalue of 1.22 and accounts for 5.80 percent of the total variances. Its coefficient alpha is 0.81.

Factor (5) Customer service: The fifth factor, labelled *customer service*, consists of four service attributes, namely 'efficiently meeting customer requirements' (attribute 6), 'unique personal service' (attribute 5), 'shuttle service' (attribute 8), and 'reservation system' (attribute 7). This factor has an Eigenvalue of 1.03 and accounts for 4.91 percent of the total variances. Its coefficient alpha is 0.75.

Table 8.9: Factor analysis of perceived performance of 21 customer service attributes

Service attributes	F1	F2	F3	F4	F5
Factor 1 Recreation Service					
15. Itinerary planning	0.80				
16. Local sightseeing consultation	0.77				
14. Experience of rural life	0.75				
13. Narration of rural hotel	0.67				
Factor 2 Facilities					
18. Location		0.71			
20. Security		0.70			
19. En-suit bathroom		0.67			
17. Convenience of parking		0.66			
21. Design & Decoration		059			
Factor 3 Hotel Rooms					
2. Comfort			0.83		
1. Cleanliness			0.83		
3. In-room amenities			0.68		
4. Privacy Space			0.57		
Factor 4 Food Service					
11. Selection of food				0.82	
10. Feature of food				0.81	
9. Breakfast provided				0.79	
12. Local produce				0.52	
Factor 5 Customer Service					
6. Efficiently meeting customer requirements					0.73
5. Unique personal service					0.71
8. Shuttle service					0.63
7. Reservation system					0.59
Eigenvalue	7.60	1.85	1.41	1.22	1.03
Variance (%)	36.17	8.79	6.72	5.80	4.91
Cronbach's α	0.83	0.81	0.80	0.81	0.75
Cumulative Variance (%)	36.17	44.96	51.68	57.48	62.39

In addition to its statistical relevance the factor analysis validates and confirms the findings of the qualitative study, i.e. that the five themes identified in section 5.4 and section 6.6 of this thesis match with the five factors identified in the above factor analysis.

8.3.4. Frequency analysis (overall satisfaction and return intention)

In addition to the measurement and above quantitative analyses of the 21 service attributes for Taiwanese rural hotels section D of the questionnaire contained two questions regarding overall satisfaction and repeat business: Question D1 *"How satisfied were you with the overall service during your stay at this rural hotel?"*, again providing five answer options ranging from very satisfied to very unsatisfied on the five point Likert scale, and question D2 *"Would you like to stay at a rural hotel in the future?"*, using a five point Likert scale such as in sections B and C, with answers ranging from 'definitely would' to 'definitely not'. A frequency analysis was conducted and the findings are presented below.

Concerning question D1 on overall satisfaction all 1,161 respondents provided answers (100 percent return rate). The most frequent answer customers gave was that they were 'neither satisfied nor unsatisfied' (828 customers, 71.3 percent), followed by customers who were 'satisfied' (175 customers, 15.1 percent), 'unsatisfied customers' (134 customers, 11.5 percent). Only a few customers were either very unsatisfied (14 customers, 1.2 percent) or very satisfied (10 customers, 0.9 percent). These findings can be seen in table 8.10.

Table 8.10: Overall satisfaction of rural hotel customers

Overall satisfaction	Frequency	Percent
Very unsatisfied	14	1.2
Unsatisfied	134	11.5
Neither satisfied nor unsatisfied	828	71.3
Satisfied	175	15.1
Very satisfied	10	0.9
Total	1,161	100

Concerning question D2 on customers' return intention all 1,161 of customers provided answers (100 percent return rate). The most frequent answer customers gave was that they 'probably would' visit a rural hotel again in the future (467

customers or 40.2 percent). This was followed by 396 customers (34.1 percent) who were 'unsure' if they would do so, 178 customers (15.3 percent) who 'definitely would', 87 customers (7.5 percent) who answered 'probably not', and 33 customers (2.9 percent) who stated they would 'definitely not' visit a rural hotel again. These findings can be seen in table 8.11.

Table 8.11: Return Intention of rural hotel customers

	Frequency	Percent
Definitely not	33	2.9
Probably not	87	7.5
Unsure	396	34.1
Probably would	467	40.2
Definitely would	178	15.3
Total	1,161	100

The remaining questions of section D (questions D3 to D5) will be discussed at the end of this chapter in section 8.8.

8.3.5. Linear regression analysis

For this study a linear multiple regression analysis was conducted in order to identify relationships between first, factors and overall satisfaction, and secondly factors on return intention. Thirdly, a linear regression analysis was conducted to investigate the influence of overall satisfaction on return intention. These findings are presented below.

(1) Influence of factors on overall satisfaction: A linear multiple regression analysis was conducted to investigate the influence of the five factors identified in the factor analysis (see section 8.3.4) on overall satisfaction (D1). Multiple regression was used to determine the aggregate impact of independent variables (five factors) exerting on the strongest influence on the dependent variable (overall satisfaction). This method demonstrates the (lack of) strength of any variable in the overall model which aims to predict overall satisfaction of

customers with the Taiwanese rural hotel product (Kozak, 2003). Results of each of the processes are reported in table 8.12, showing standardized coefficients (Beta coefficients), t-values, as well as collinearity statistics Tolerance and variance of inflation (VIF).

Standardized coefficients (Beta coefficients) of each variable reflects the relative importance of each independent factor variable. All five factors are critical to the level of overall satisfaction, reaching the following Beta coefficient values: Factor (2) 'Facilities' (β=0.260), Factor (3) 'Hotel rooms' (β=0.157), Factor (4) 'Food service' (β=0.140), Factor (1) 'Recreation service' (β=0.116), and Factor (5) 'Customer service' (β=0.093). The t-values are used for testing whether the 5 independent variables (5 factors) contributed information to the prediction of the dependent variable (overall satisfaction). The results show the t-values of all five factors are found to be significant at a 0.01 level. This means all five independent variables remain in the model.

The value of R^2 shows how well the model fits the population and the model accounts for 11percent of the variation in the factors. The values of variance of inflation (VIF) and tolerance for each factor, and the tests of the extent of multi-collinearity and collinearity, indicated that there is no multi-collinearity in the model (Hair et al., 2006). No VIF value exceeded 10.0, and the values of tolerance showed that no case did collinearity explain more than 10 percent of the any predictor variables variance.

Table 8.12: Factors affecting customers' overall satisfaction

	Standardized Coefficients			Collinearity Statistics	
Variable	Beta	t	Sig.	Tolerance	VIF
Factor 2 Facilities	0.206	7.408	0.000**	1.000	1.000
Factor 3 Hotel rooms	0.157	5.670	0.000**	1.000	1.000
Factor 4 Food service	0.140	5.034	0.000**	1.000	1.000
Factor 1 Recreation service	0.116	4.192	0.000**	1.000	1.000
Factor 5 Customer service	0.093	3.365	0.001**	1.000	1.000
(Constant)		184.822	0.000		

Note: Multiple R=0.30; R^2=0.11; F=28.25; significance F=0.000; *** p < 0.01 significant*

(2) Influence of factors on return intention: A linear multiple regression analysis was conducted to investigate the influence of the five factors identified in the factor analysis (see section 8.3.4) on customers' return intention (D2). Multiple regression was used to determine the aggregate impact of independent variables (five factors) exerting on the strongest influence on the dependent variable (return intention). This method demonstrates the (lack of) strength of any variable in the overall model which aims to predict return intention of customers to the Taiwanese rural hotel (Kozak, 2003). Results of the process are reported in table 8.13.

Standardized coefficients (Beta coefficients) of each variable reflects the relative importance of each independent factor variable. All five factors are critical to the level of return intention, reaching the following Beta coefficient values: Factor (2) 'Facilities' (β=0.293), Factor (3) 'Hotel rooms' (β=0.252), Factor (5) 'Customer service' (β=0.225), Factor (1) 'Recreation service' (β=0.119), and Factor (4) 'Food service' (β=0.095). The t-values are used for testing whether the 5 independent variables (5 factors) contributed information to the prediction of the dependent variable (return intention). The results show the t-values of all five factors are

found to be significant at a 0.01 level. This means all 5 independent variables remain in the model.

The value of R^2 shows how well the model fits the population and the model accounts for 22 percent of the variation in the factors. The values of variance of inflation (VIF) and tolerance for each factor, and the tests of the extent of multi-collinearity and collinearity, indicated that there is no multi-collinearity in the model (Hair et al., 2006). No VIF value exceeded 10.0, and the values of tolerance showed that no case did collinearity explain more than 10 percent of the any predictor variables variance.

Table 8.13: Factors affecting customers' intentions to return

	Standardized Coefficients			Collinearity Statistics	
Variable	Beta	t	Sig.	Tolerance	VIF
Factor 2 Facilities	0.293	11.282	0.000**	1.000	1.000
Factor 3 Hotel rooms	0.252	9.703	0.000**	1.000	1.000
Factor 5 Customer service	0.225	8.667	0.000**	1.000	1.000
Factor 4 Food service	0.119	4.577	0.000**	1.000	1.000
Factor 1 Recreation service	0.095	3.661	0.000**	1.000	1.000
(Constant)		147.738	0.000		

Note: Multiple R=0.47; R^2=0.22; F=66.18; significance F=0.000;
** $p < 0.01$ significant

(3) Influence of overall satisfaction on return intention: A linear regression analysis was conducted to examine the relationship between overall satisfaction and return intention. The results reveal a positive relationship ($R = 0.45$, $p<0.01$). This means that there is a strong relationship between customers' overall satisfaction and their intentions to revisiting a rural hotel in the future. The value of R^2 (0.20) shows that overall satisfaction accounts for 20 percent of the variation in customers' return intentions.

Table 8.14: Overall satisfaction and return intention

	Standardized Coefficients		
Variable	Beta	t	Sig.
Return intention	0.446	16.953	0.000**
(Constant)		32.886	0.000**

Note: Multiple R=0.45; R^2=0.20; F=287.41; significance F=0.000;
** $p < 0.01$ significant

8.4. Expectancy Disconfirmation Paradigm Analysis (EDP) Findings

This section presents the findings obtained through the Expectancy disconfirmation paradigm analysis, also known as EDP or GAP analysis. The EDP analysis aims to identify the (dis)confirmation between the expectation customers have from service attributes (column 'expectation' in table 8.15), and the perceived performance of these service attributes (column 'performance' in table 8.15). The EDP analysis therefore consists of two customer measurements, requiring capturing customers' expectations of service attributes at the very beginning of their stay (section B of the questionnaire) as well as customers' perception of services at the end of their stay (section C of the questionnaire). Customers were asked to determine their expectations on a five-point Likert scale, ranging from very important to very unimportant. The same Likert scale was used to capture customers' perception of services. All 21 service attributes were included in the EDP analysis. The next section will discuss customers' expectations and perceptions of services, followed by a discussion of the disconfirmation level between the two. Table 8.15 presents an overview of these findings.

8.4.1 Customer expectation

Customers' expectations range from a high score of 4.86 (cleanliness) to a low score of 3.35 (local produce) with a mean overall expectation score of 4.24. Customers' expectations were highest for the service attribute 'cleanliness' (attribute 1), reaching a mean expectation score of 4.86 in the five-point Likert scale, followed by availability of 'en-suite bathroom' (attribute 19), reaching a mean expectation score of 4.66 in the five point Likert scale, and 'security' (attribute 20), with a mean expectation score of 4.59 in the five-point Likert scale. The 'lowest' expectation rates were given to 'local produce' (attribute 12), reaching a mean expectation score of 3.35, followed by 'narration of Taiwanese rural hotel' (attribute 13), reaching a mean expectation score of 3.78, and 'selection of food' (attribute 11), with a mean expectation score of 3.87.

8.4.2. Customer perception of performance

Customers' perception of service attribute ratings range from a high score of 3.98 (unique personal service) to a low score of 3.22 (selection of food) with a mean overall perception of performance score of 3.54. Customers' perception of performance of service attributes were highest for the service attribute 'unique personal service' (attribute 5), reaching a mean perception of performance score of 3.98 in the five-point Likert scale, followed by 'location' (attribute 18), reaching a mean perception of performance score of 3.74 in the five point Likert scale, and 'convenience of parking' (attribute 17), with a mean perception of performance score of 3.72 in the five-point Likert scale. The 'lowest' perception of performance rates were given to 'selection of food' (attribute 11), reaching a mean perception of performance score of 3.22, followed by 'feature of food' (attribute 10), reaching a mean perception of performance score of 3.27, and 'local produce' (attribute 12), with a mean perception of performance score of 3.32. The mean perception of performance scores show that customers perceived the performance of all 21

service attributes to be between option 3 on the Likert scale "neither satisfied/nor unsatisfied" and option 4 on the Likert scale "satisfied".

The next section will discuss the disconfirmation level between customers' expectation and perception using paired t-test.

8.4.3. Disconfirmation (GAP)

The EDP analysis allows comparing two measures, the 'expectation' and the 'performance' of service attributes as perceived by customers. A perfect match between expectation and performance results in a zero score. A zero score indicates that the right level of performance is provided for this very attribute. A possible discrepancy between expectation and performance results in a 'gap score', which can be either negative (when customers' expectations exceed performance) or positive (when performance exceeds customers' expectations). The contention is that results of an EDP help service providers to identify where performance is already 'good enough' or in which service attributes performance improvement can be best targeted.

After identification of expectation rates and customers' perception of performance the disconfirmation gap was calculated in deducting the mean expectation rate (column 'expectation' in table 8.15) from the mean perception of performance rate (column 'performance' in table 8.15) for each of the 21 service attributes (i.e. 'performance' minus 'expectation'). Disconfirmation scores ranked from -1.29 found in the attribute 'cleanliness' to -0.03 found in the attribute 'local produce'. In addition these findings show that all of the 21 service attributes had negative disconfirmation meaning that customers' 'expectation' was consistently higher than customers' perception of 'performance' for each attribute. Not one single service attribute had a higher mean perception of performance rank than its mean expectation rank.

The biggest disconfirmation score was found in the service attribute (1) 'cleanliness' which had a disconfirmation score of -1.29, followed by the service attribute (20) 'security' which had a disconfirmation score of -1.08, and the service attribute (19) 'en-suite bathroom' which had a disconfirmation score of -0.95. The smallest disconfirmation scores were found in the following attributes: The service attribute (12) 'local produce' had a disconfirmation score of -0.03, showing an almost perfect match between customers' expectations and perception of performance of service. This was followed by the service attribute (13) 'narration of Taiwanese rural hotel' which had a disconfirmation score of -0.34, and the service attribute (5) 'unique personal service' with a disconfirmation score of -0.39.

In order to determine the significance of service attributes p-values were calculated using paired t-tests. The results of paired *t-tests* show that all but one service attributes are significant ($p<0.05$). The one service attribute that is not significant is service attribute (12) 'local produce', with a p-value of 0.278 ($p>0.05$). All of these findings are illustrated in Table 8.15 below.

Comparison between Expectation and Performance (EDP Analysis)

ibutes	Expectation		Performance		EDP			
	Mean	S.D	Mean	S.D	GAP	Rank	t-value	Sig. (2-tailed)
ss	4.86	0.37	3.57	0.74	-1.29	21	54.56 *	0.000
	4.52	0.61	3.68	0.69	-0.84	16	32.89 *	0.000
amenities	4.09	0.80	3.64	0.70	-0.45	4	15.08 *	0.000
pace	4.53	0.61	3.61	0.78	-0.92	18	32.92 *	0.000
ersonal service	4.37	0.71	3.98	0.80	-0.39	3	13.00 *	0.000
/ meeting customer requirements	4.44	0.65	3.53	0.74	-0.91	17	31.82 *	0.000
ion system	4.40	0.66	3.66	0.71	-0.74	14	26.95 *	0.000
ervice	3.96	0.91	3.47	0.75	-0.49	5	15.06 *	0.000
t provided	4.13	0.80	3.42	0.79	-0.71	11	23.41 *	0.000
of food	3.94	0.80	3.27	0.74	-0.67	9	22.21 *	0.000
n of food	3.87	0.84	3.22	0.70	-0.65	7	21.43 *	0.000
oduce	3.35	0.96	3.32	0.66	-0.03	1	1.09	0.278
n of Taiwanese rural hotel	3.78	0.88	3.44	0.67	-0.34	2	11.18 *	0.000
nce of rural life	4.06	0.77	3.40	0.73	-0.66	8	22.57 *	0.000
/ planning	4.15	0.74	3.45	0.72	-0.70	10	24.97 *	0.000
ghtseeing consultation	4.22	0.70	3.46	0.72	-0.76	15	27.84 *	0.000
ience of parking	4.22	0.71	3.72	0.74	-0.50	6	24.75 *	0.000
1	4.46	0.62	3.74	0.72	-0.72	13	28.17 *	0.000
bathroom	4.66	0.57	3.71	0.81	-0.95	19	34.81 *	0.000
/	4.59	0.60	3.51	0.74	-1.08	20	43.23 *	0.000
& Decoration	4.18	0.80	3.47	0.76	-0.71	11	23.48 *	0.000

< 0.05 significant

8.5. Perceived Performance Only Analysis (PPO) Findings

The theoretical and operational problems associated with the measurement of expectation has led many researchers to believe that perceived performance only measures present a more valid approach to customer satisfaction. This section presents findings from the perceived performance only analysis, or PPO analysis. As the name suggests in PPO analysis the performance measures alone are used, hence only data from section C of the questionnaire was being used for the PPO analysis, without consideration of customers' expectations (section B) which they had to fill in before the service experience. Section C was filled in by customers at checkout and asked customers "How satisfied were you with each of these service attributes at this rural hotel?" by using a five point Likert scale ranging from very satisfied to very unsatisfied. Because PPO analysis relies, other than the process oriented conceptualisations of customer satisfaction such as EDP or (R)IPA, on a single measure it is important to determine the standard deviation for reliability purposes. Standard deviation for all 21 service attribute measures was at a satisfactory level below 1.

Referring to the PPO analysis the perceived performance rates for all 21 customer service attributes and among the 1,161 returned questionnaires ranged from a high score of 3.98 to a low score of 3.22. This means that all service attributes scores range between customers being 'neither satisfied nor unsatisfied' and 'satisfied'. The service attribute (5) 'unique personal service' achieved the highest mean performance score of 3.98 with a standard deviation of 0.80. This was followed by service attribute (18) 'location' with a mean performance score of 3.74 (standard deviation 0.72) and the service attribute (17) 'convenience of parking' (standard deviation 0.74). The customer service attribute with the lowest performance score was service attribute (11) 'selection of food' with a performance score of 3.22 (standard deviation 0.70). This was

followed by the service attribute (10) 'feature of food' with a performance score of 3.27 (standard deviation 0.74) and the service attribute (12) 'local produce' with a performance score of 3.32 (standard deviation 0.66).

The following table 8.16 illustrates the findings of the PPO analysis by presenting the mean performance scores (Mean), standard deviation (S.D), and rank (rank 1 with the highest performance and rank 21 with the lowest performance respectively) for each of the 21 customer service attributes and based on the 1,161 returned questionnaires.

Table 8.16: PPO analysis for 21 customer service attributes

(n=1,161)	Performance		
Service Attribute	Mean	S.D	Rank
1. Cleanliness	3.57	0.74	9
2. Comfort	3.68	0.69	5
3. In-room amenities	3.64	0.70	7
4. Privacy space	3.61	0.78	8
5. Unique personal service	3.98	0.80	1
6. Efficiently meeting customer requirements	3.53	0.74	10
7. Reservation system	3.66	0.71	6
8. Shuttle service	3.47	0.75	13
9. Breakfast provided	3.42	0.79	17
10. Feature of food	3.27	0.74	20
11. Selection of food	3.22	0.70	21
12. Local produce	3.32	0.66	19
13. Narration of Taiwanese rural hotel	3.44	0.67	16
14. Experience of rural life	3.40	0.73	18
15. Itinerary planning	3.45	0.72	15
16. Local sightseeing consultation	3.46	0.72	14
17. Convenience of parking	3.72	0.74	3
18. Location	3.74	0.72	2
19. En-suite bathroom	3.71	0.81	4
20. Security	3.51	0.74	11
21. Design & Decoration	3.47	0.76	12

8.6. Importance Performance Analysis (IPA) Findings

As a process measure IPA relies on two separate sets of data, importance and performance scores of attributes. These data were obtained through the two part

questionnaire in sections B and C. Importance scores were obtained before the service experience (section B of the questionnaire) while performance scores were obtained after the service experience (section C of the questionnaire). For this study the importance scores are identical with the expectation scores used in the EDP analysis and the performance scores are identical with the data used in EDP and PPO analyses. Thus the findings here present customer satisfaction using same data but a different (i.e. IPA) conceptualisation. For reasons of clarity and comprehensibility the importance scores and performance scores are briefly presented again below.

8.6.1 Importance scores

Customers' importance scores range from a high score of 4.86 (cleanliness) to a low score of 3.35 (local produce) with a mean overall importance score of 4.24. Customers' importance scores were highest for the service attribute 'cleanliness' (attribute 1), reaching a mean importance score of 4.86 in the five-point Likert scale, followed by availability of 'en-suite bathroom' (attribute 19), reaching a mean importance score of 4.66 in the five point Likert scale, and 'security' (attribute 20), with a mean importance score of 4.59 in the five-point Likert scale. The 'lowest' importance rates were given to 'local produce' (attribute 12), reaching a mean importance score of 3.35, followed by 'narration of Taiwanese rural hotel' (attribute 13), reaching a mean importance score of 3.78, and 'selection of food' (attribute 11), with a mean importance score of 3.87.

8.6.2. Performance scores

Customers' perception of service attribute ratings range from a high score of 3.98 (unique personal service) to a low score of 3.22 (selection of food) with a mean overall perception of performance score of 3.54. Customers' perception of performance of service attributes were highest for the service attribute 'unique personal service' (attribute 5), reaching a mean perception of performance score

of 3.98 in the five-point Likert scale, followed by 'location' (attribute 18), reaching a mean perception of performance score of 3.74 in the five point Likert scale, and 'convenience of parking' (attribute 17), with a mean perception of performance score of 3.72 in the five-point Likert scale. The 'lowest' perception of performance rates were given to 'selection of food' (attribute 11), reaching a mean perception of performance score of 3.22, followed by 'feature of food' (attribute 10), reaching a mean perception of performance score of 3.27, and 'local produce' (attribute 12), with a mean perception of performance score of 3.32. The mean scores for performance were consistently lower than the mean scores for importance in all 21 customer service attributes.

8.6.3. IPA grid

After identification of importance rates and customers' perception of performance rates data were analysed using SPSS 12 for Windows. The results of paired *t-tests* show that all but one service attributes are significant ($p<0.05$). The one service attribute that is not significant is service attribute (12) 'local produce', with a p-value of 0.278 ($p>0.05$). Following this a two-dimensional action grid was plotted (see figure 8.1) where importance values formed the vertical axis, while performance values formed the horizontal axis. The grid is separated by cross hairs represented by the mean scores for the overall importance and the mean scores for the overall performance. Accordingly the cross hair 'importance' was placed at value 4.24 and the cross hair 'performance' was placed at value 3.54. This results in the four quadrants (1) concentrate here, (2) keep up the good work, (3) low priority, and (4) possible overkill. These findings are elaborated in the next sections according to each one of the four quadrants and in relation to mean and median scores for placing the 'importance' and 'performance' hairs in the grid. Table 8.17 presents an overview of all findings, and figure 8.1 shows IPA results using mean scores and figure 8.2 shows IPA results using median scores respectively.

Quadrant (Q1) concentrate here: According to the literature this quadrant points out attributes where effort should be concentrated in order to improve performance. It shows attributes that have an above average / high importance and a below average / low performance. According to the IPA grid and using mean scores two customer service attributes (6) 'efficiently meeting customer requirements' and (20) 'security' fall into this quadrant.

However, when using median scores the two above service attributes move into quadrant two and only one attribute (16) 'local sightseeing consultation' falls into quadrant one.

Quadrant (Q2) keep up the good work: According to the literature quadrant two indicates areas where the business is doing well and the service provider should aim to keeping it that way. It shows attributes with both an above average importance rating and an above average performance rating. According to the IPA grid and using mean scores eight customer service attributes fall into this quadrant. These are (1) 'cleanliness', (2) 'comfort', (4) 'privacy space', (5) 'unique personal service', (7) 'reservation system', (17) 'convenience of parking', (18) 'location', and (19) 'en-suite bathroom'.

When using median scores these eight attributes remain in quadrant two. However, two additional service attributes (6) 'efficiently meeting customer requirements' and (20) 'security' move into this quadrant.

Quadrant (Q3) low priority: According to the literature quadrant three requires the least attention. Quadrant three presents those service attributes with both a low importance and a low perceived performance. According to the IPA grid and using mean scores a total of ten customer service attributes fall into this quadrant. These are (8) 'shuttle service', (9) 'breakfast provided', (10) 'feature of food', (11) 'selection of food', (12) 'local produce', (13) 'narration of Taiwanese rural hotel',

(14) 'experience of rural life', (15) 'itinerary planning', (16) local sightseeing consultation', and (21) 'design and decoration'.

When using median scores one of the above ten customer service attributes (16) 'local sightseeing consultation' moves into quadrant 1 and a total of nine customer service attributes remain in the low priority quadrant.

Quadrant (Q4) possible overkill: According to the literature quadrant four contains service attributes that as yet have gone unappreciated or where funds could possibly be relocated to other quadrants. Quadrant four presents those service attributes with a low importance but a high perceived performance. According to the IPA grid and using mean scores one customer service attribute (3) 'In-room amenities' falls into this quadrant.

When using median scores this quadrant remains the same with one customer service attribute (3) 'In-room amenities'.

Mean and median scores: Different authors have used different methods for locating the 'importance' and 'performance' hairs in the IPA grid. Hudson et al. (2004) in a study on the tour operating sector for example consulted the company they were studying to determining the position of the intersect on the action grid. Others (for example Ritchie et al., 2008) have used both mean and median scores for placing the intersect. This thesis has considered the two approaches of placing grid hairs according to mean or median scores respectively. To summarise from the above discussion on which customer service attribute belongs to which quadrant this has resulted in changes of attribute affiliation to quadrants in three instances. Service attribute (6) 'efficiently meeting customer requirements' and service attribute (20) 'security' both moved from quadrant (Q1) 'concentrate here' to quadrant (Q2) 'keep up the good work'. Service attribute (16) 'local sightseeing consultation' moved from quadrant (Q3) 'low priority' to

quadrant (Q1) 'concentrate here'. Figure 8.1 shows the IPA grid using mean scores and figure 8.2 shows the IPA grid using median scores.

mportance Performance Analysis (mean and median)

ibutes	Importance		Performance		IPA			
	Mean	S.D	Mean	S.D	Mean Quadr	Median Quadr.	t-value	Si (2-ta
ess	4.86	0.37	3.57	0.74	II	II	54.56 *	0.(
	4.52	0.61	3.68	0.69	II	II	32.89 *	0.(
amenities	4.09	0.80	3.64	0.70	IV	IV	15.08 *	0.(
space	4.53	0.61	3.61	0.78	II	II	32.92 *	0.(
ersonal service	4.37	0.71	3.98	0.80	II	II	13.00 *	0.(
ly meeting customer requirements	**4.44**	**0.65**	**3.53**	**0.74**	**I**	**II**	**31.82 ***	**0.(**
ion system	4.40	0.66	3.66	0.71	II	II	26.95 *	0.(
ervice	3.96	0.91	3.47	0.75	III	III	15.06 *	0.(
t provided	4.13	0.80	3.42	0.79	III	III	23.41 *	0.(
of food	3.94	0.80	3.27	0.74	III	III	22.21 *	0.(
n of food	3.87	0.84	3.22	0.70	III	III	21.43 *	0.(
roduce	3.35	0.96	3.32	0.66	III	III	1.09	0.2
n of Taiwanese rural hotel	3.78	0.88	3.44	0.67	III	III	11.18 *	0.(
nce of rural life	4.06	0.77	3.40	0.73	III	III	22.57 *	0.(
/ planning	4.15	0.74	3.45	0.72	III	III	24.97 *	0.(
ightseeing consultation	**4.22**	**0.70**	**3.46**	**0.72**	**III**	**I**	**27.84 ***	**0.(**
ience of parking	4.22	0.71	3.72	0.74	II	II	24.75 *	0.(
n	4.46	0.62	3.74	0.72	II	II	28.17 *	0.(
e bathroom	4.66	0.57	3.71	0.81	II	II	34.81 *	0.(
y	**4.59**	**0.60**	**3.51**	**0.74**	**I**	**II**	**43.23 ***	**0.(**
& Decoration	4.18	0.80	3.47	0.76	III	III	23.48 *	0.(

< 0.05 significant; changes of attributes' quadrant allocation are in bold

Figure 8.1: Importance Performance Analysis (Mean)

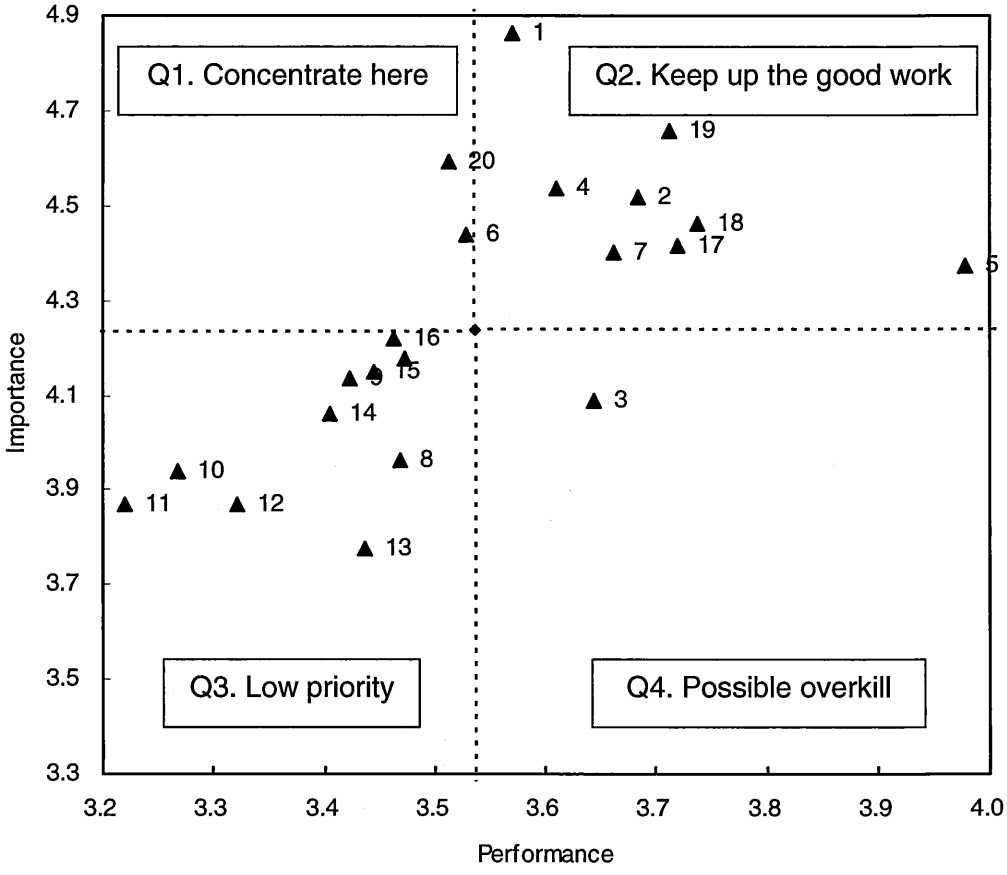
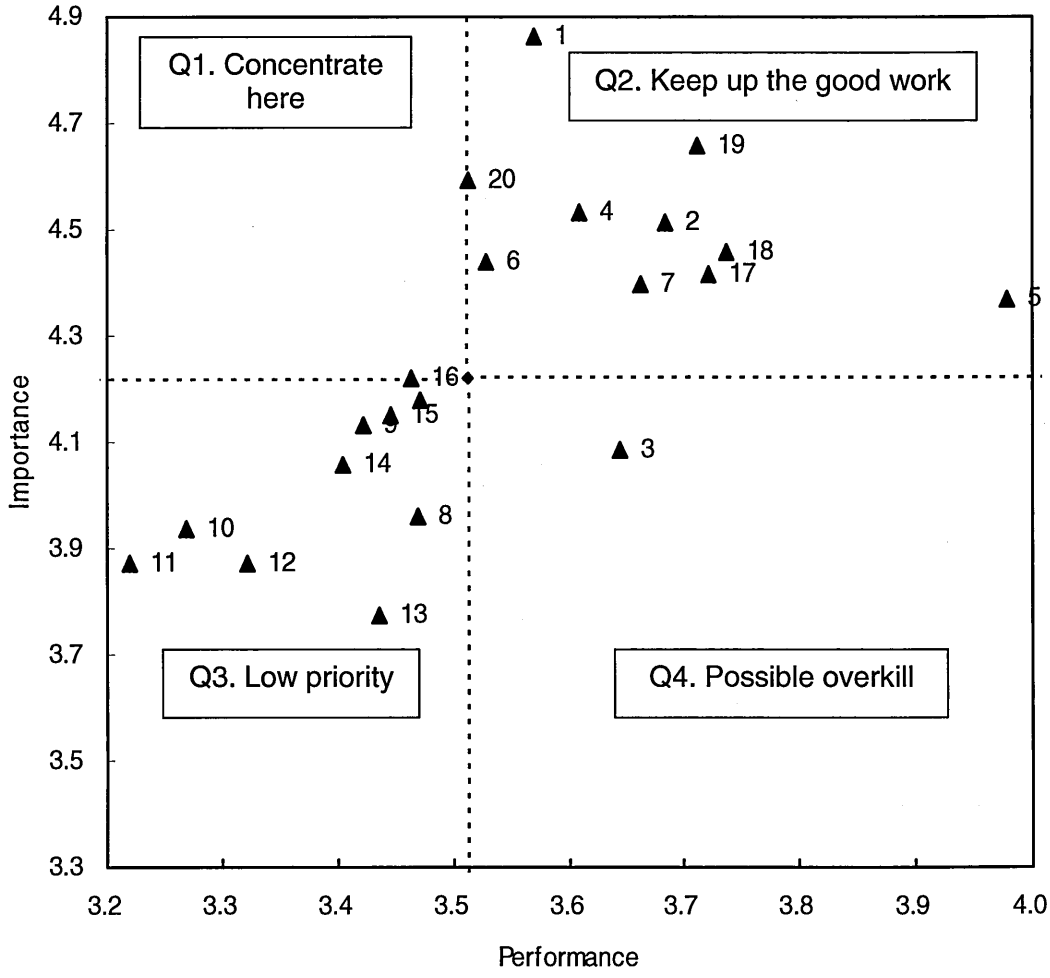


Figure 8.2: Importance Performance Analysis (Median)



8.7. Revised Importance Performance Analysis (RIPA) Findings

The revised IPA (RIPA) is a form of analysis that places more attention on the importance weights of attributes. Results are then graphically displayed on an RIPA grid. The RIPA grid, like the IPA grid, is a two-dimensional grid. However instead of importance and performance scores it uses explicit and implicit importance weights on the two axes. This requires three sets of data: Customers' self-stated importance scores, customers' perceived performance scores, and customers' overall satisfaction scores (in comparison the traditional IPA only uses two sets of data, importance and performances scores respectively for each of the 21 service attributes, and does not obtain customers' overall satisfaction scores).

Explicit importance weights are the results one gets from asking customers directly "how important is this attribute for you?" and this information was obtained from customers in section B of the questionnaire and for each one of the 21 customer service attributes. On the other hand implicit importance weights are calculated or derived importance weights. They can be obtained through correlating customers' perceived performance scores (section C of the questionnaire) with customers' overall satisfaction scores (question D1 of the questionnaire). The differences between explicit and implicit importance weights are then graphically displayed in the RIPA grid. The RIPA grid consists of two axes (implicit and explicit importance rates) and is separated by mean or median values of importance weight cross hairs, splitting the grid into four quadrants. In this study this was at value 4.24 on the explicit-importance-axis and at value 0.0188 on the implicit-importance-axis when using mean values (see RIPA grid using mean values figure 8.3). When using median values this was at value 4.22 on the explicit-importance-axis and at value 0.0128 on the implicit-importance-axis (see RIPA grid using median values figure 8.4).

Although each of these four quadrants presents substantially different results they are referred to in the literature, somewhat arbitrarily, as three factors: basic factors (dissatisfiers), performance factors (hybrid factors), and excitement factors (satisfiers). However, in this chapter findings will be presented, in what the author perceives to be a clearer way of presentation, according to the four quadrants (1) 'basic factors' (section 8.7.1), (2) 'performance factors of high importance' (section 8.7.2), (3) 'performance factors of low importance' (section 8.7.3), and (4) 'excitement factors' (section 8.7.4). Table 8.18 presents an overview of all findings, and figure 8.3 shows RIPA results using mean scores and figure 8.4 shows RIPA results using median scores respectively.

8.7.1. Basic factors

Basic factors are those attributes with a high explicit importance score and a low implicit importance score. According to the literature basic factors are the reason d'etre of a business and although necessary they are not sufficient in themselves for customer satisfaction. When fulfilled they are rarely noticed and do not influence satisfaction. However, when they are not fulfilled they can be desperately missed and lead to dissatisfaction. Using mean scores a total of six customer service attributes fall into the basic factors quadrant. These are attribute (1) 'cleanliness', attribute (4) 'privacy space', attribute (5) 'unique personal service', attribute (7) 'reservation system', attribute (18) 'location', and attribute (19) 'en-suite bathroom'. This is graphically displayed in the RIPA mean grid in figure 8.3.

When using median scores a total of four attributes fall into the basic factors quadrant (Q1). These are attribute (1) 'cleanliness', attribute (5) 'unique personal service', attribute (7) 'reservation system', as well as attribute (16) 'local sightseeing consultation'. This is graphically displayed in the RIPA median grid in figure 8.4.

8.7.2. Performance factors of high importance

Performance factors of high importance are those attributes with a high explicit importance score and a high implicit importance score. According to the literature 'performance factors of high importance' lead to customer satisfaction. In this study the following four customer service attributes fell into the 'performance factors of high importance' quadrant (Q2) when using mean scores: attribute (2) 'comfort', attribute (6) 'efficiently meeting customer requirements', attribute (17) 'convenience of parking', and attribute (20) 'security'. This is graphically displayed in the RIPA mean grid in figure 8.3.

When using median scores a total of seven customer service attributes fall into this quadrant (Q2). They are attribute (2) 'comfort', attribute (4) 'privacy space', attribute (6) 'efficiently meeting customer requirements', attribute (17) 'convenience of parking', attribute (18) 'location', attribute (19) 'en-suite bathroom', and attribute (20) 'security'. This is graphically displayed in the RIPA median grid in figure 8.4.

8.7.3. Performance factors of low importance

Performance factors of low importance are those attributes with a low explicit importance score and a low implicit importance score. According to the literature 'performance factors of low importance' lead to customer dissatisfaction. In this study the following seven service attributes fall into this quadrant (Q3) when using mean scores: attribute (3) 'In-room amenities', attribute (10) 'feature of food', attribute (11) 'selection of food', attribute (12) 'local produce', attribute (13) 'narration of rural hotel', attribute (15) 'itinerary planning', and attribute (16) 'local sightseeing consultation'. This is graphically displayed in the RIPA mean grid in figure 8.3.

When using median scores a total of six customer service attributes fall into this quadrant (Q3). They are attribute (3) 'In-room amenities', attribute (10) 'feature of food', attribute (11) 'selection of food', attribute (12) 'local produce', attribute (13) 'narration of rural hotel', and attribute (15) 'itinerary planning'. This is graphically displayed in the RIPA median grid in figure 8.4.

8.7.4. Excitement factors

Excitement factors are those attributes with a low explicit importance score and a high implicit importance score. According to the literature excitement factors can delight customers, surprise them and lead to satisfaction. When they are not provided they do not per se cause dissatisfaction. In this study the following four attributes fell into the excitement factors quadrant (Q4) when using mean scores. These are attribute (8) 'shuttle service', attribute (9) 'breakfast provided', attribute (14) 'experience of rural life', and attribute (21) 'design and decoration'. This is graphically displayed in the RIPA mean grid in figure 8.3.

This did not change when using median scores and the same four customer service attributes, attribute (8) 'shuttle service', attribute (9) 'breakfast provided', attribute (14) 'experience of rural life', and attribute (21) 'design and decoration' fell into this quadrant. This is graphically displayed in the RIPA median grid in figure 8.4.

Revised Importance Performance Analysis (mean and median)

	Explicit		Implicit		RIPA	
ibutes	Mean	Rank	Partial cor.	Rank	Mean	Median
ess	4.86	1	-0.0093	18	Basic	Basic
	4.52	5	0.0744	2	P-H	P-H
amenities	4.09	15	-0.0079	17	P-L	P-L
space	4.53	4	0.0164	9	**Basic**	**P-H**
ersonal service	4.37	10	-0.0224	21	Basic	Basic
y meeting customer requirements	4.44	7	0.0205	8	P-H	P-H
ion system	4.40	9	-0.0221	20	Basic	Basic
ervice	3.96	17	0.0357	6	Excite	Excite
t provided	4.13	14	0.0726	3	Excite	Excite
of food	3.94	18	0.0046	12	P-L	P-L
n of food	3.87	19	-0.0005	15	P-L	P-L
roduce	3.35	21	-0.0044	16	P-L	P-L
n of Taiwanese rural hotel	3.78	20	-0.0112	19	P-L	P-L
nce of rural life	4.06	16	0.0406	5	Excite	Excite
/ planning	4.15	13	0.0004	14	P-L	P-L
ightseeing consultation	4.22	11	0.0012	13	**P-L**	**Basic**
ience of parking	4.22	8	0.0805	1	P-H	P-H
n	4.46	6	0.0128	11	**Basic**	**P-H**
e bathroom	4.66	2	0.0145	10	**Basic**	**P-H**
/	4.59	3	0.0302	7	P-H	P-H
& Decoration	4.18	12	0.0684	4	Excite	Excite

anges of attributes' quadrant allocation are in bold

Figure 8.3: RIPA grid (mean)

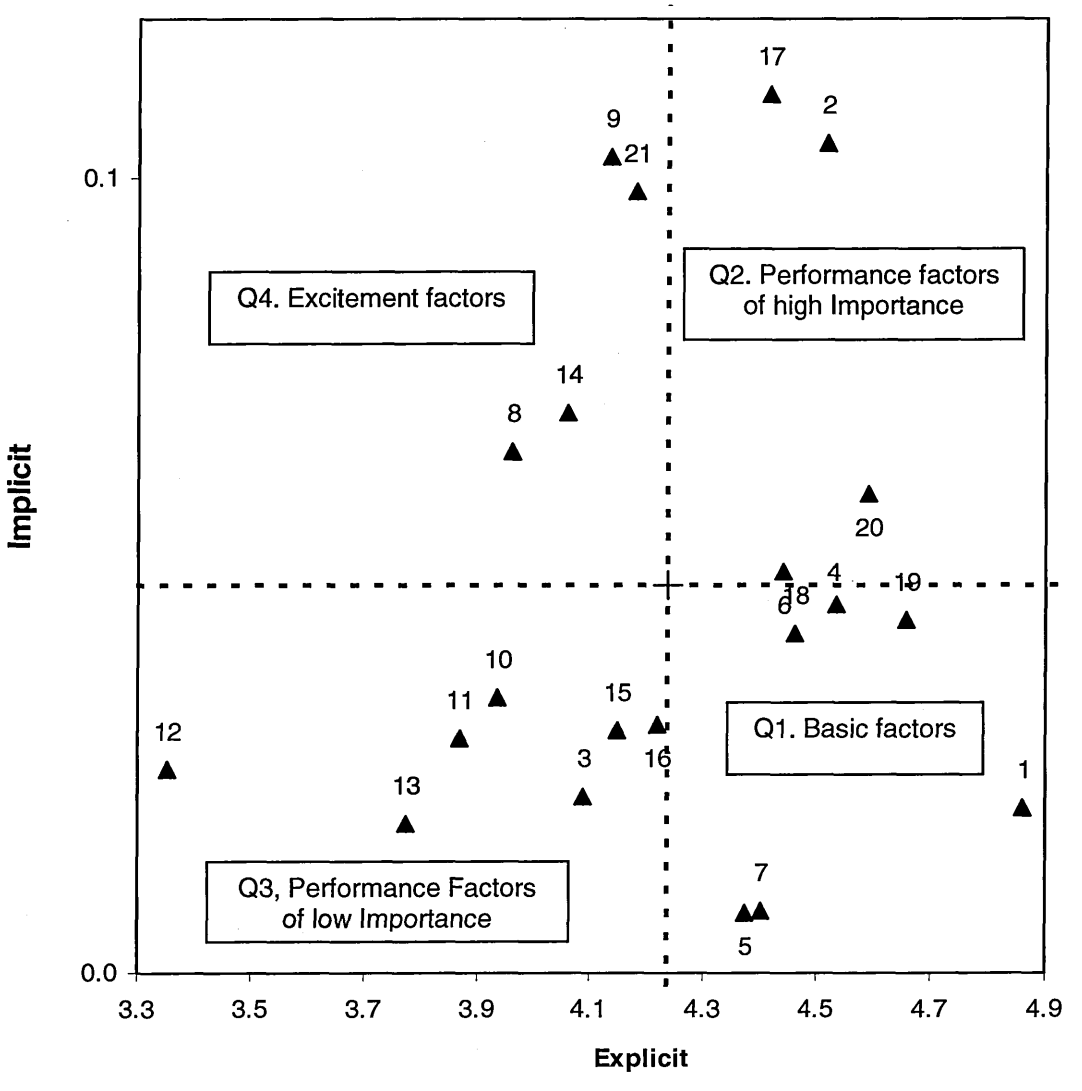
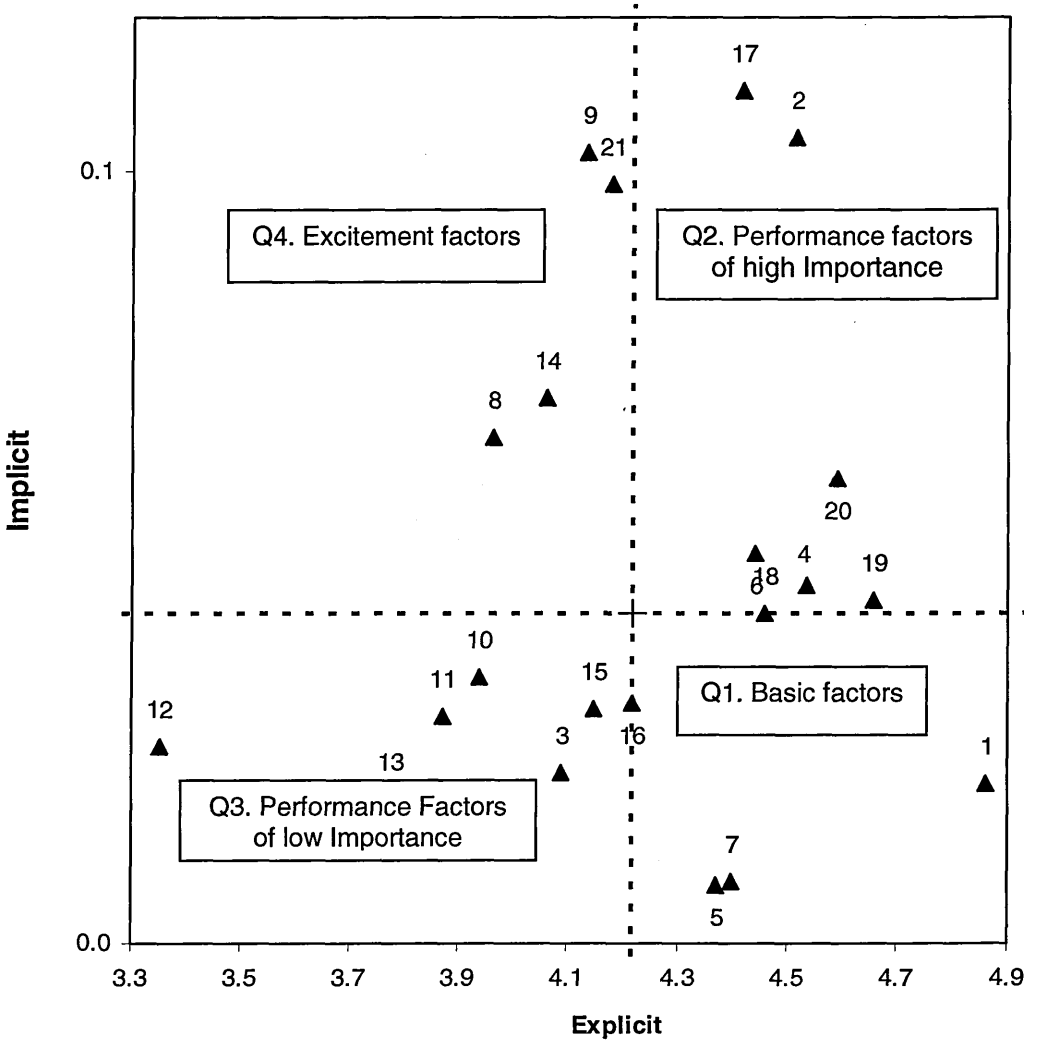


Figure 8.4: RIPA (median)



8.8. Additional attribute information

In addition to the measurement and above quantitative analyses of the 21 service attributes for Taiwanese rural hotels section D of the questionnaire contained three additional open questions: D3 *"What were the best service attributes at the hotel you were staying at?"*, D4 *"What were the worst service attributes at the hotel you were staying at?"*, and D5 *"What do you think can be improved at rural hotels?"*. Thus these questions offered customers the opportunity to express, from their point of view, the best, worst, and most improvable service aspects of their stay at the rural hotel. These questions are open questions, i.e. customers were free to choose any of the existing 21 customer service attributes or to add any other service attributes they may find important. Answers were then, where possible, coded as one of the 21 existing attributes (these are presented in the below tables 8.19-21 with attribute numbers). Where this was not possible a 'new attribute' was checked for its best fit into any of the five factors and incorporated into the existing factor (these attributes appear in the below tables 8.19-21 without attribute numbers). In case customers' answer could not be attributed to any of the existing 21 attributes or 6 themes they are listed in the below tables 8.19-21 under 'Other'. These findings are presented under respective subheadings below. Table 8.22 at the end of section 8.8 displays a comparison of all three revised factors (best, worst, and improvement factors).

8.8.1. Best service attributes

All answers to question D3 *"What have been the best service attributes at the hotel you were staying at?"* could be attributed to existing attributes or factors, including a total of five new attributes. A total of 791 customers, or 68.13 percent, of all 1,161 respondents provided answers to question D3. Table 7.19 below displays the results in a frequency analysis. Factor (F5) is the most prominent

factor and accounts for 38.94 percent of all answers. By far the most prominent service attribute within factor (F5) and from all service attributes is attribute (5) 'unique personal service' which was chosen by 239 customers (30.21 percent of overall answers). Factor (F5) contains one new attribute called 'bikes provided free of charge', but this answer accounts for less than one percent of all answers. The second most prominent factor is factor (F1) 'recreation service' which accounts for 15.8 percent of answers. The most prominent attribute within factor (F1) is service attribute (16) 'local sightseeing consultation', which is also the third most prominent overall answer[36], and was chosen by 62 customers (7.84 percent). Factor (F1) contains two new attributes, 'recreation activities' was chosen by 14 customers (1.77 percent) and 'eco-tour activities' which was chosen by eight customers (1.01 percent). Factor (F1) was closely followed by factor (F2) which was chosen by 123 customers (15.55 percent). Factor (F2) 'facilities' remained unchanged with the most prominent attributes being attribute (18) 'location (77 customers / 9.73 percent) and attribute (21) 'design and decoration' (42 customers / 5.31 percent). Factor (F4) 'food service' accounted for 10.50 percent of all answers (83 customers). Factor (F4) contained two new attributes, 'good breakfast' (47 customers / 5.94 percent) and 'home-made food' (12 customers / 1.52 percent). The least prominent factor in this category was factor (F3) 'hotel rooms' which was chosen by 47 customers (5.94 percent). Factor (F3) did not contain any new attributes and attribute (2) 'comfort' (23 customers / 2.91 percent) and attribute (1) 'cleanliness' (20 customers / 2.53 percent) were the most prominent answers within this factor. 105 customers (38.94 percent) stated that no service attribute would deserve the description 'best attribute'.

[36] not accounting 'none' as an answer which had 105 hits

Table 8.19: Best revised factors

Revised service attributes	Frequency	Percent
Factor 1 Recreation service		
16. Local sightseeing consultation	62	7.84
13. Narration of Taiwanese rural hotel	15	1.90
14. Experience of rural life	13	1.64
15. Itinerary planning	13	1.64
Recreation activities	14	1.77
Eco-tour activities	8	1.01
Total	*125*	*15.80*
Factor 2 Facilities		
18. Location	77	9.73
21. Design and decoration	42	5.31
19. En-suite bathroom	2	0.25
17. Convenience of parking	2	0.25
Total	*123*	*15.55*
Factor 3 Hotel rooms		
2. Comfort	23	2.91
1. Cleanliness	20	2.53
4. Privacy space	2	0.25
3. In-room amenities	2	0.25
Total	*47*	*5.94*
Factor 4 Food service		
10. Feature of food	15	1.90
12. Local produce	6	0.76
11. Selection of food	3	0.38
Good food	47	5.94
Home-made food	12	1.52
Total	*83*	*10.50*
Factor 5 Customer service		
5. Unique personal service	239	30.21
6. Efficiently meeting customer requirements	40	5.06
8. Shuttle service	22	2.78
7. Reservation system	1	0.13
Bikes provided free of charge	6	0.76
Total	*308*	*38.94*
None	105	13.27
Total respondents	**791**	**100**

** 68.13 percent of respondents answered this question*

8.8.2. Worst service attributes

Question D4 *"What have been the worst service attributes at the hotel you were staying at?"* was answered by 648 respondents, a total of 55.81 percent of the 1,161 returned questionnaires. Table 8.20 below displays the results in a frequency analysis. Answers identified a total of six new attributes, not all of which could be appointed to existing factors. These are listed at the bottom of table 8.20 under 'Other'. When accumulated 'Other' presents the most prominent option (110 customers / 16.96 percent). It contains the new attribute 'noise' (47 customers / 7.25 percent) which was the most prominent overall worst attribute[37], the new attribute 'price' (38 customers / 5.86 percent), the new attribute 'creating undeliverables' (10 customers / 1.54 percent), and 'higher nature' (15 customers / 2.31 percent). 'Higher nature' is not further considered as it is beyond the impact of the hotel owner. The second most prominent option was factor (F2) 'facilities' which was chosen by 75 customers (11.59 percent). The two most prominent attributes within this factor were attribute (20) 'security' (27 customers / 3.86 percent) and attribute (19) 'en-suite bathroom' (25 customers / 4.17 percent). Factor (F2) contained one new attribute called 'quality of facilities'. This however accounted for less than one percent (four customers / 0.62 percent). Factor (F2) was closely followed by factor (F5) 'customer service'. By far the most prominent attribute within this factor was attribute (6) 'efficiently meeting customer requirements' (47 customers / 7.25 percent) which, in a tie with the new attribute 'noise' from 'other', was the most "prominent" worst overall service attribute. Factor (F5) itself did not contain any new attributes. Factor (F3) 'hotel rooms' was chosen by 50 customers (7.72 percent). The most prominent attribute within factor (F3) was 'cleanliness' (28 customers / 4.32 percent) and factor (F3) did not contain any new attributes. Factor (F4) 'food service' accounted for 7.40 percent

[37] In a tie with attribute (6) 'efficiently meeting customer requirements' in factor (F5)

of all answers (48 customers). This factor contained one new attribute 'food' (30 customers / 4.63 percent) which was also the most prominent attribute within this factor. Finally factor (F1) 'recreation', which did not contain any new attributes, accounted for only about one percent of all answers (7 customers / 1.08 percent). A relatively high percentage of customers (291 customers / 44.91 percent) felt that no service attribute should be labelled 'worst attribute'.

Table 8.20: Worst revised factors

Revised service attributes	Frequency	Percent
Factor 1 Recreation service		
13. Narration of Taiwanese rural hotel	5	0.77
15. Itinerary planning	2	0.31
Total	*7*	*1.08*
Factor 2 Facilities		
20. Security	27	3.86
19. En-suite bathroom	25	4.17
21. Design and decoration	13	2.01
17. Convenience of parking	6	0.93
Quality of facilities	4	0.62
Total	*75*	*11.59*
Factor 3 Hotel rooms		
1. Cleanliness	28	4.32
2. Comfort	13	2.01
4. Privacy space	7	1.08
3. In-room amenities	2	0.31
Total	*50*	*7.72*
Factor 4 Food service		
09. Breakfast provided	16	2.47
11. Selection of food	12	1.85
10. Feature of food	5	0.77
12. Local produce	1	0.15
Food	14	2.16
Total	*48*	*7.40*
Factor 5 Customer service		
6. Efficiently meeting customer requirements	47	7.25
8. Shuttle service	14	2.16
7. Reservation system	4	0.62
5. Unique personal service	2	0.31
Total	*67*	*10.34*
Other		
Noise	47	7.25
Price	38	5.86
Creating undeliverables	10	1.54

Higher nature	15	2.31
Total	*110*	*16.96*
None	291	44.91
Total respondents	**648**	**100**

** 55.81 percent of respondents answered this question*

8.8.3. Improvement attributes

Question D5 *"What do you think can be improved at rural hotels?"* was answered by 62.19 percent of all respondents, a total of 722 responses. Table 8.21 below displays the results in a frequency analysis. Answers identified a total of eight new attributes, not all of which could be appointed to existing factors. These are listed at the bottom of table 8.21 under 'Other'. When accumulated 'Other' presents the most prominent option (333 customers / 46.12 percent). The top new attribute in this section is attribute 'price' (92 customers / 12.74 percent) which was also the overall top improvement attribute, followed by attribute 'grading system' (78 customers / 10.80 percent), which is very closely followed by attribute 'identity' (77 customers / 10.66 percent), attribute 'website' (45 customers / 6.23 percent), attribute 'noise' (32 customers / 4.43 percent), and attribute 'Internet access' (9 customers / 1.25 percent). Factor (F5) 'customer service' accounted for 15.51 percent of all answers (112 customers). Factor (F5) did not contain any new attributes and the most prominent attribute within this factor was attribute (6) 'efficiently meeting customer requirements' (91 customers / 12.60 percent), which was the second most prominent overall improvement attribute. Factor (F3) 'hotel rooms' accounted for nine percent of all answers (65 customers). The two most prominent answers within factor (F3) were attribute (1) cleanliness (38 customers / 5.26) and attribute (2) 'comfort' (19 customers / 2.63 percent). Factor (F3) did not contain any new service attributes. Factor (F4) 'food service' accounted for 6.65 percent of answers (48 customers). By far the most

prominent answer was the one new attribute simply called 'food' (36 customers / 4.98 percent). Factor (F2) 'facilities' accounted for 6.37 percent of all answers (46 customers). The most prominent answers in this category were attribute (20) 'security' (19 customers / 2.63 percent) and attribute (19) 'en-suite bathroom' (12 customers / 1.66 percent). This factor included one new attribute 'quality of facilities' which, however, was only chosen by one respondent (0.14 percent). Finally, factor (F1) 'recreation service' accounted for 5.96 percent of all answers (43 customers). They were ranked attribute (13) 'narration of Taiwanese rural hotel' (15 customers / 2.08 percent), attribute (15) 'itinerary planning (13 customers / 1.80 percent), attribute (16) 'local sightseeing consultation' (12 customers / 1.66 percent), and attribute (14) 'experience of rural life' (three customers / 0.42 percent). This factor did not contain any new attributes. 10.39 percent of respondents (75 customers) thought that no service attribute could be improved.

Table 8.21: Revised improvement factors

Revised service attributes	Frequency	Percent
Factor 1 Recreation service		
13. Narration of Taiwanese rural hotel	15	2.08
15. Itinerary planning	13	1.80
16. Local sightseeing consultation	12	1.66
14. Experience of rural life	3	0.42
Total	*43*	*5.96*
Factor 2 Facilities		
20. Security	19	2.63
19. En-suite bathroom	12	1.66
21. Design and decoration	7	0.97
17. Convenience of parking	7	0.97
Quality of facilities	1	0.14
Total	*46*	*6.37*
Factor 3 Hotel rooms		
1. Cleanliness	38	5.26
2. Comfort	19	2.63
4. Privacy space	7	0.97
3. In-room amenities	1	0.14
Total	*65*	*9.00*
Factor 4 Food service		
11. Selection of food	7	0.97

12. Local produce	3	0.42
10. Feature of food	2	0.28
Food	36	4.98
Total	*48*	*6.65*
Factor 5 Customer service		
6. Efficiently meeting customer requirements	91	12.60
5. Unique personal service	9	1.25
8. Shuttle service	7	0.97
7. Reservation system	5	0.69
Total	*112*	*15.51*
Other		
Price	92	12.74
Grading system	78	10.80
Identity	77	10.66
Website	45	6.23
Noise	32	4.43
Internet access	9	1.25
Total	*333*	*46.12*
None	75	10.39
Total respondents	**722**	**100**

** 62.19 percent of respondents answered this question*

d best, worst, and improvement factors compared

ors	Frequency	Percent	Worst factors	Frequency	Percent	Improvement	Frequ
r service	308	38.94	Other	110	16.96	Other	33
n	125	15.80	Factor 2 Facilities	75	11.59	Factor 5 Customer service	11
	123	15.55	Factor 5 Customer service	67	10.34	Factor 3 Hotel rooms	6!
ice	83	10.50	Factor 3 Hotel rooms	50	7.72	Factor 4 Food service	4!
ns	47	5.94	Factor 4 Food service	48	7.40	Factor 2 Facilities	4(
			Factor 1 Recreation service	7	1.08	Factor 1 Recreation service	4!
	105	13.27	None	291	44.91	None	7!
	791	100	Total	648	100	Total	72

8.9. Discussion

This chapter presented the findings from the quantitative study, the second part of investigation in this research, which is based on findings of the qualitative study as presented in chapter 7. The quantitative study used a questionnaire instrument that consisted of four sections, section A on customer profile, section B on customer expectations / stated importance before the service experience for each of the 21 customer service attributes, section C on perceived service performance for each of the 21 customer service attributes, and section D on overall customer satisfaction (D1), return intention (D2), best perceived service attribute (D3), worst perceived attribute (D4), and area with the greatest potential for improvement (D5). The self-administered questionnaire instrument was distributed to 38 Taiwanese rural hotels in a random manner in the three states Hualien, Yilan, and Nantow, which have the highest density of rural hotels in Taiwan, to serve as a representative sample for the entire population of Taiwanese rural hotels. Questionnaires were distributed during the festive season around Chinese New Year, over forty consecutive days, and included five weekends. The findings presented in this chapter are based on 1,161 returned and valid questionnaires that come out of a sample of 1,500 questionnaires, resulting in a return rate of over 77 percent.

Section 8.2 discussed the findings of section A of the questionnaire and pertaining to the customer profile, including sex, age group, methods for choosing a rural hotel, and average length of stay. In terms of sex there are 16 percent more female visitors than male visitors to rural hotels. It becomes apparent that rural hotels are most popular amongst young adults, as the age groups 21-30 and 31-40 account for more than two thirds of the research population. 14 percent of customers are between 41-50 years of age and 12 percent of visitors are under 21 years of age, and the age groups above 50 years of age are very much

underrepresented, with about five percent of visitors being between 51-60 years of age and only about one percent over 60 years of age. The study shows that 58 percent of rural hotel customers are female and 42 percent are male. The two top methods for selecting a rural hotel are "recommended by friend" (59 percent) and Internet (59 percent). Most customers (65 percent) stay over two nights and 27 percent stay only one night.

How do these findings compare to the international literature? In principle, this finding is similar to Wu and Yang (2010), who studied B&Bs in an area that lies within this study's research population. They (Wu and Yang, 2010) also found that females make a higher majority among B&B patrons. However, as mentioned, they studied B&Bs in general (not rural hotels per se), they used a smaller sample (295/450), and their ratio was different, with 52.2 percent female customers and 47.8 percent male customers (Wu and Yang, 2010). Results may also be compared with Chen et al. (2013), who studied B&Bs in Taiwan, and came up with a similar demographic profile of visitors. Again, in Chen et al's study (2013) there were more female visitors (54 percent) than male visitors (46 percent). Hu et al. (2012), who studied two homestays in an area that falls into the present study's research population, found that in both homestays that constituted their research population, there were more female visitors than male visitors (45 percent male visitors and 55 percent female visitors in one homestay, and 29 percent male visitors and 71 percent female visitors in the other homestay). Yang et al. (2011a) found that 43 percent of customers to resort hotels were male, and 57 percent were female, which also corresponds to this study's findings. However, findings contradict Deng (2007) who, when studying 600 oversea tourists to hot spring hotels in Taiwan, came up with a demographic profile that consisted of more males (64 percent) than females (36 percent) (Deng, 2007).

With respect to the age group it is found that the 21-30 year olds (34.8 percent) and the 31-40 year olds (32.8 percent) are the most prominent age groups among

rural hotel patrons, making the Taiwanese rural hotel rather attractive especially amongst the young and the young at heart. The results allow comparison with Wu and Yang (2010) who, although using a much smaller sample (295 effective samples), used the same age group categorisation. In their study the 21-30 year-olds dominated with a percentage of 50.5 percent (Wu and Yang, 2010). Same as in the present study, 21-30 year olds thus represent the most prominent group of customers (Wu and Yang, 2010). This was followed by the 31-40 year-olds with 31.2 percent (Wu and Yang, 2010). Again, this goes along with findings in the present study, with the 31-40 year-olds representing the second most prominent group of customers. Also in respect to the least prominent group of customers the results of the two studies (Wu and Yang, 2010 and present study) comply with each other. Wu and Yang (2010) found the 61 year-olds and above to be the smallest group, constituting only 0.7 percent of overall visitors. Again, this is similar to the present study, where visitors above 60 years of age account for only 0.9 percent of all visitors.

Chen et al. (2013) used a different categorisation for age groups (16-30; 31-45; 46-70; over 70). However, it is still apparent that the under 30 year olds account for a substantial percentage of visitors, with 35 percent (Chen et al., 2013), which is similar to the present study. Also in respect to the over 70 year olds a comparison can be made (over 60 year olds in this study), as they account for the smallest group of visitors with only two percent (Chen et al., 2013), again forming a similarity with the present study. Findings are more difficult to compare to Hu et al. (2012) because they have used a different age group classification (20 and below; 21-40; 41-60; 61 and above). However, it can still be said that the younger audience, the visitors below 40, account for over 65 percent in one homestay, and for even more than 95 percent in the other homestay (Hu et al., 2012). They had no visitors over 61 years of age (Hu et al., 2012). Again, this shows that the results of the present study are similar to Hu et al. (2012). A

comparison to Deng (2007) is not feasible as they used an entirely different age group classification.

Taiwanese rural hotels are chosen most commonly on the basis of recommendation by friends and the Internet. These two multiple choice options are chosen by almost 60 percent of respondents in the present study. It probably comes as a surprise that the famous TV travel shows in Taiwan, which run special programs on rural hotels, only account for about 18 percent, less than magazines, newspaper, or 'been before'. Also, travel agents are only accountable for five percent of the bookings. This stresses the importance of positive word of mouth for future business. It also emphasises Internet presence of rural hotels and suggests that rural hotels should place emphasis on the online representation of their business. Findings pertaining to the hotel selection criteria are difficult to compare to the literature, as not many authors include information on the selection criteria of comparable establishments. However, one notable exception is Chen et al. (2013), who, based on a survey with 300 B&B visitors in Taiwan, provide a whole list of selection criteria. They (Chen et al., 2013) identify "word of mouth" with 36 percent as the most popular selection criteria. This corresponds with the present research in regards to the most prominent criteria. However, "recommended by friends", which was the top selection criteria in the present study, has an almost twice as high percentage rate, with 59 percent of customers choosing this option. Internet, which also had 59 percent in the present study, only accounted for 26 percent in Chen et al. (2013), which is still the second highest rating in their list of criteria. The other selection criteria differ slightly in formulation; but if Chen at al's (2013) individual criteria "travel guidebook", "newspaper", and "magazine" are accumulated (43 percent), a similarity is still manifest to this study's criteria "magazine, newspaper, etc.", which accounts for 30 percent.

The finding that travel agents are only accountable for five percent of the bookings is particularly interesting, as it puts other studies, such as Hsieh et al's (2008) into perspective. Hsieh et al. (2008) set out to determine critical service attributes in hot spring hotels. However, in their study they only consulted tour guides and group hosts of travel agencies, not customers themselves. The findings in this study suggest that Hsieh et al's (2008) assertion, that consulting travel agencies would be justified by their superior suitability, is contradicted. Hence it might be argued that Hsieh et al's (2008) results would have been more representative and reliable had they consulted other sources for obtaining their data. This study suggests that rather friends (i.e. customers; 59 percent) and also the Internet (e.g. online reviews; equally 59 percent) present suitable sources of information, and that travel agencies (5 percent) play only a marginal role in the rural hotel business.

The chapter then presents findings of the statistical approaches used in the study. It assessed reliability (section 8.3.1) and construct validity (section 8.3.2) and the findings clearly indicate that the scales aimed to measure Taiwanese rural hotel customers' importance and perceived performance levels are reliable and valid.

Section 8.3.4 presents findings of frequency analyses of overall satisfaction and return intention, which was asked of customers in separate questions in section D of the questionnaire and using the same five point Likert scale as sections B and C on customer service attributes. This shows that the majority of customers to rural hotels are neither satisfied nor unsatisfied with the service experience, as more than 70 percent of customers (828 customers / 71.3 percent) choose this option. However, there are more satisfied customers (175 customers / 15.1 percent) than unsatisfied customers (134 customers / 11.5 percent), showing a tendency that customers are rather happy than unhappy with the rural hotel experience. Only around one percent of customers are either very unsatisfied (14 customers / 1.2 percent) or very satisfied (10 customers / 0.9 percent). The

positive tendency is also reflected, even to a stronger degree, in customers' return intentions. Here the majority of customers (467 customers / 40.2 percent) state that they probably would stay at a rural hotel again in the future, followed by customers who are unsure (396 customers / 34.1 percent), but then notably followed by customers who would definitely return (178 customers / 15.3 percent). Comparatively few customers (87 customers / 2.9 percent) state that they would 'probably not' stay at a rural hotel again in the future, and 33 customers (2.8 percent) state they would 'definitely' not return.

Section 8.3.5 then presents findings from linear (multiple) regression analyses. This is done in order to identify possible relationships between factors and overall satisfaction, factors and return intention, and influence of overall satisfaction on return intention. The findings suggest that all five factors influence overall satisfaction and that factor (F2) 'facilities' most strongly influences overall satisfaction (beta 0.206). Factor (F5) 'customer service' has the least influence on overall satisfaction (beta 0.093). Similarly findings suggest that all five factors influence customers' return intention, and again factor (F2) 'facilities' has the strongest influence (beta 0.293). Factor (F1) 'recreation service' has the least influence on return intention (beta 0.095). The findings of the linear regression analysis between overall satisfaction and customers' return intention show a positive relationship (beta 0.446). Therefore when overall satisfaction is high customers are likely to return, and vice versa. By assessing how individual service attributes influence customers' overall satisfaction and return intentions, and how overall satisfaction influences return intentions, the results presented in this chapter fill a clear gap in the literature.

Because this is the first study on customer satisfaction in Taiwanese rural hotels these findings cannot be compared like for like. However, results may be compared to Wu and Yang's (2010) investigation of customers' revisiting desires to B&Bs in Taiwan, of which rural hotels are a subgroup. Again, as has been

critiqued throughout the thesis, there is no standard set of customer service attributes which would allow for a straight forward comparison of results. This becomes apparent when trying to compare results with Wu and Yang (2010). From their original 25 attributes they found ten to have an impact on customers' return intention: These were that "B&B is a legally registered enterprise"; "B&B provides a speedy service"; "B&B is equipped with hot springs"; "B&B provides shuttle buses for customers"; "B&B has alliances which can supply discounts for extra services to customers"; "B&B has been interviewed and is highly recommended by the public media"; "B&B feels just like home"; "B&B supplies private spaces for the customers"; "an informative website is available on the B&B"; and "B&B prices are affordable".

From these 10 attributes four apply to the present study: attribute 2 (comfort) attribute 4 (privacy space); attribute 6 (efficiently meeting customer requirements); and attribute 8 (shuttle service).

The questionnaire data are then manipulated using the four popular approaches EDP, PPO, IPA, and RIPA. Section 8.4 presents findings pertaining to EDP. The disconfirmation model shows statistical significance of all service attributes ($p<0.05$), with the exception of one service attribute, attribute (12) 'local produce', which has a p-value of 0.278. All service attributes have negative disconfirmation scores, showing that customers' expectations are consistently higher than the perceived performance of the service. The results of the EDP analysis point out those attributes with the largest disconfirmation scores which need attention by management. In this study these are attribute (1) 'cleanliness', attribute (20) 'security', and attribute (19) 'en-suite bathroom'.

Section 8.5 presents findings pertaining to PPO. The PPO analysis brings relatively high satisfaction rates, with a high rank of 3.98 for attribute (5) 'unique personal service' to a low score of 3.22 in attribute (11) 'selection of food'. The

findings suggest a potential for improvement in particular regarding food service attributes.

Section 8.6 presents findings of the IPA, both using mean and median scores. Based on the IPA using mean scores the Taiwanese rural hotel service attributes in need of the most attention, those that fall into the 'concentrate here' quadrant (Q1), include attribute (6) 'efficiently meeting customer requirements' and attribute (20) 'security'. Furthermore the IPA analysis and chart mapping show that the majority of attributes fall into either the keep up the good work quadrant (Q2) or the low priority quadrant (Q3). Only one attribute (3) 'in-room amenities' falls into quadrant four, indicating possible overkill. Therefore the IPA grid presents a useful action plan that hotel owners may follow in prioritising their efforts. However, it should be acknowledged that results change slightly when using median scores, which happens in three instances, attribute (6) 'efficiently meeting customer requirements', attribute (16) 'local sightseeing consultation', and attribute (20) 'security'. It should also be considered that the IPA grid hairs may be placed differently, which will alter results (deciding on where to place the IPA grid is arguably one of the main obstacles in using IPA; in a recent article Chen (2014) proposes a potential solution for placing the crosshairs).

Section 8.7 presents findings using RIPA, both using mean and median scores. Using mean scores, the following six customer service attributes fall into the basic factors quadrant: attribute (1) 'cleanliness', attribute (4) 'privacy space', attribute (5) 'unique personal service', attribute (7) 'reservation system', attribute (18) 'location', and attribute (19) 'en-suite bathroom'. Four customer service attributes fall into the 'performance factors of high importance' quadrant: attribute (2) 'comfort', attribute (6) 'efficiently meeting customer requirements', attribute (17) 'convenience of parking', and attribute (20) 'security'. Seven service attributes fall into the 'performance factors of low importance' quadrant: attribute (3) 'In-room amenities', attribute (10) 'feature of food', attribute (11) 'selection of food',

attribute (12) 'local produce', attribute (13) 'narration of rural hotel', attribute (15) 'itinerary planning', and attribute (16) 'local sightseeing consultation'. Four attributes fall into the excitement factors quadrant: attribute (8) 'shuttle service', attribute (9) 'breakfast provided', attribute (14) 'experience of rural life', and attribute (21) 'design and decoration'. Again, it should be considered that results change when median scores are used, and in this study this changes in four instances. It should also be considered that, as in the IPA, the RIPA grid hairs may be placed differently, which will alter results (deciding on where to place the IPA grid is arguably one of the main obstacles in using IPA; in a recent article Chen (2014) proposes a potential solution for placing the crosshairs).

The importance rates given to service attributes by customers (i.e. in this study equivalent with their expectation) show that all 21 service attributes have a mean score higher than 3.35. In total 16 attributes (attributes 1 to 7, 9, and 14 to 21) out of the 21 service attributes have a mean score above 4, meaning that customers have high expectations of those services (i.e. that those service attributes are very important to them). It may therefore be concluded that these findings indicate a good acceptance rate of and validate the 21 service attributes, as identified earlier in this study, in the qualitative part of this thesis throughout chapter seven.

The final section on additional attribute information analyses the open questions in section D of the questionnaire, what the best and worst attributes, as well as the most important areas for improvement are. It finds that overall the best service attribute is attribute (5) 'unique personal service', the two worst service attributes are, in a tie, attribute (6) 'efficiently meeting customer requirements' and the new attribute 'noise'. The biggest area for improvement is the new attribute 'price'. As a logical consequence of the result of the worst service attribute, this is closely followed by attribute (6) 'efficiently meeting customer requirements'. In terms of factors, the best perceived factor is factor (F5) 'customer service', the worst

perceived factor is the new factor 'Other', and the area for improvement also 'Other'. While the study shows a good acceptance of the 21 customer service attributes this last section on worst, best, and improvement factors indicates that future research in the Taiwanese rural hotel context should include these additional customer service attributes.

In summary the findings suggest that the typical Taiwanese rural hotel customer is female, between 21 and 30 years of age, chooses the rural hotel either on basis of recommendation from a friend or through the Internet, and stays at the rural hotel for two nights. In terms of overall satisfaction, the majority of customers (71 percent) are neither satisfied nor unsatisfied with the service experience. More customers (15 percent) are satisfied than unsatisfied (12 percent). The majority of respondents (55 percent) "definitely would" or "probably would" return to a Taiwanese rural hotel.

These findings confirm research conducted in not the same, but similar contexts, such as homestays, hot spring hotels, and B&Bs in Taiwan (for example Chen et al., 2013; Hu et al., 2012; Wu and Yang, 2010). The findings allow other contributions, such as Hsieh et al's (2008), to be placed into a wider tourism context in Taiwan. The findings are found to contradict one study (Deng, 2007), if there are more male or female guests, but this might be due to what is only a slight similarity in research setting, as he (Deng, 2007) studied international visitors at hot spring facilities, and in another location of Taiwan.

This study presents customer satisfaction scores for the Taiwanese rural hotel and uses a combination of customer satisfaction measurement methods. In doing so it is the first study to present customer satisfaction scores for the Taiwanese rural hotel, and it is one of only a handful of studies to combine customer satisfaction measurement methods. This makes it naturally challenging to make direct comparisons with the I with the literature. Had the present study simply copied the majority of research approaches of existent studies in customer

satisfaction research in tourism and hospitality research, hence used only one measurement method in isolation, and applied this to the new research context (rural tourism in Taiwan and Taiwanese rural hotels), the presentation and interpretation of results would be straight forward.

Using EDP in isolation identifies the three attributes "cleanliness" (1), "security" (20), and "en-suite bathroom" (19) as those with the most immediate need for management attention. Using PPO in isolation identifies the three attributes "selection of food" (11, PPO rank 21/21), "feature of food" (10, PPO rank 20/21), and "local produce" (12, PPO rank 19/21) as those with the most immediate need for management attention. Using IPA in isolation and using mean scores (plus depending on the crosshair placement) identifies the two attributes "efficiently meeting customer requirements" (6) and "security" (20) as those with the most immediate need of management attention. Using IPA in isolation and using median scores (plus depending on the crosshair placement) identifies one attribute "local sightseeing consultation" as the one with the most immediate need for management attention. RIPA is already more complex, as it considers overall satisfaction, and doesn't give a 'clear cut' answer to what should be improved. However, for the sake of this comparison the excitement factors will be considered. So, using RIPA in isolation and using mean scores (plus depending on the crosshair placement) identifies four excitement factors: attribute "shuttle service" (8), attribute "breakfast provided" (9), attribute "experience of rural life" (14), and attribute "design and decoration" (21). Using RIPA in isolation and using median scores (plus depending on the crosshair placement) identifies the same four attributes.

This shows that the four measurement methods applied to the same phenomenon all turn out different results, as each one points to different attributes for management attention. While this is surprising, and to some extent largely unexpected, the results presented in this chapter also show that all four

measurement methods produce valid results. The aim of this research was to find out which measurement method is applicable to the Taiwanese rural hotel context, and the answer is that all four approaches are applicable and will turn out valid results.

Why different measurement methods turn out different results cannot be adequately answered in this study (and this was not the aim of this study, however, this does present an opportunity for future research. The question is if different measurement methods, even taking into account that employing a particular measurement method and analysis technique will be posited on one of several theoretical constructs (Oh and Parks, 1997) and their (lack of) empirical underpinnings (Pizam and Ellis, 1999), or on a lack of resources for the research respectively (for example Wu and Yang, 2010), if applied to the same phenomena, should not turn out the same, or at least similar, results?

The study emphasises that the literature currently lacks a coherent body of similar multi-measurement multi-method research of customer satisfaction in tourism and hospitality research. Contributions by Yang et al. (2011a), in a study on hotel service quality assessments, Ritchie et al. (2008), in their study on visitor satisfaction at attractions in Australia, Yuksel and Rimmington (1998), who studied 12 restaurant service attributes in a chain restaurant, and Hudson et al. (2004), in a service quality measurement study in the tour operating sector, show that this is an unresolved issue. These studies, together with the present study, provide a springboard for future research on this phenomenon.

The next and final chapter will draw conclusions to this research.

CHAPTER 9: CONCLUSION

9.1. Introduction

This thesis presents an empirical account of the Taiwanese rural hotel from a pragmatist perspective and using multi strategy research. The present thesis aims to answer the question *"What is a Taiwanese rural hotel, what are the important customer service attributes of Taiwanese rural hotels, and how satisfied are customers of Taiwanese rural hotels?"*. This question was approached using qualitative data emanating from 13 semi structured interviews with experts, owners, and customers of rural hotels, as well as quantitative data from a customer satisfaction survey with 1,161 customers, out of a sample of 1,500 customers, in 38 rural hotels in the three regions of Taiwan with the highest density of rural hotels, Hualien, Yilan, and Nantow.

This final chapter presents the conclusion to this research. Section 9.2 presents the conclusion of this study against the overarching research question. Section 9.3 presents a summary of the contribution to knowledge. Section 9.4 discusses the limitations of the study, and section 9.5 points out areas for future research. This chapter closes with reflections and aspirations in section 9.6.

9.2. Conclusion against the overarching research question

The research question addressed in this thesis is:

"What is a Taiwanese rural hotel, what are the important customer service attributes of Taiwanese rural hotels, and how satisfied are customers of Taiwanese rural hotels?"

This research question may be broken down into three sub-questions and these are discussed below.

9.2.1. What is a Taiwanese rural hotel?

Tourism plays an increasingly important role in Taiwan's economy. In the overall rise of tourism in the Asia and the Pacific region and in Taiwan (WTTO, 2012) rural tourism has become a fast growing component of the hospitality and tourism industry (Taiwan Tourism Bureau, 2013b). Despite increasing government and academic interest in rural tourism in mainland China and Taiwan, at the outset of this study there was little understanding about the core issues of rural tourism and no unified approach or authoritative conclusion to its connotations, principles, development models and future directions (Wang et al., 2013). It became apparent however, that the tourism landscape in Taiwan had substantially changed with the growth of Taiwanese rural hotels, which increased in number from just 36 in 2001 to over 3,000 in 2011 (Taiwan Tourism Bureau, 2013b). Accordingly the Taiwanese rural hotel is attributed to be an important factor in the development of hospitality and tourism in Taiwan (WTTC, 2012). Contributors, such as Thomas et al. (2011), suggest that understanding small hospitality businesses, such as the rural hotel (in Taiwan), can provide a stepping stone in the wider conceptualisation of rural tourism (in Taiwan). Accordingly, critically appraising the small hotel in Taiwan may be seen as a prerequisite for synthesising the concept of rural tourism in Taiwan. However, none of the few academic contributions that are related to the Taiwanese rural hotel, for example hot spring hotels in Taiwan (Chen et al., 2013; Liu, 2010), B&Bs in Taiwan (Wu and Yang, 2010) or hostels in Taiwan (Tsai, 2007) take a particular focus on the nature and characteristics of the Taiwanese rural hotel. Information provided by the Taiwanese Tourism Bureau is mostly bureaucratic or informational, with information on the application, licensing, registration, and several health and safety issues (Tourism Bureau, 2003).

The findings in this study present, for the first time, a thorough description of the Taiwanese rural hotel. The rural location of the hotel is important and the hotel itself should resemble some of the surrounding nature and identity in the design and decoration, as well as in its (hi)story.

The Taiwanese rural hotel is identified as a clean, safe, and comfortable place, with en-suite bathroom, adequate privacy space, and in-room amenities. Customers expect an efficient reservation system, a pick-up and/or shuttle service, and want to be provided with a safe parking space.

In terms of experience customers expect a unique personal service that efficiently meets their requirements. They want to experience rural life with adequate itinerary planning and local sightseeing consultation. An important aspect of the rural hotel experience is food, not just in that it is provided, but that it has a feature, that there is a selection of food available, and that it is prepared by the owner using local or home-grown ingredients.

The Taiwanese rural hotel is characterised by 21 customer service attributes. These 21 customer service attributes can further be divided into five factors. They are: factor one 'recreation service' with the four attributes 'narration of rural hotel', 'experience of rural life', 'itinerary planning', and 'local sightseeing consultation; factor two 'facilities' with the five attributes 'convenience of parking', location', en-suite bathroom', 'security', and 'design and decoration'; factor three 'hotel room' with the four attributes 'cleanliness', 'comfort', 'personal use provided', and 'privacy space'; factor four 'food service' with the four attributes 'breakfast provided', 'feature of food', selection of food', and 'local produce'; and finally factor five 'customer service' with the four attributes 'unique personal service', 'efficiently meeting customer requirements', 'reservation system', and 'shuttle service'.

In summary what is apparent from the above description is that the attributes of Taiwanese rural hotel consist of what could be referred to as 'general' hotel attributes, such as cleanliness (Ramanathan and Ramanathan, 2013; Li et al., 2012; Han et al., 2011; Magnini et al., 2011, (to name but a few), security (Yang et al., 2011a), parking (Loureiro, 2012), an en-suite bathroom (Zane, 1997), or efficiently meeting customer requirements (Wu and Yang, 2010) (see table 3.1 in chapter 3 for more comparisons), but that it also has certain distinguishing characteristics that have particular cultural resonance in Taiwan. Amongst these are the "narration of the rural hotel" (13), "experience of rural life" (14), "unique personal service" (5), and "design and decoration" (21).

Based on these findings a definition for the Taiwanese rural hotel is proposed:

> *The Taiwanese rural hotel is an independently owned small hotel located in a rural area and has less than 15 rooms. It comprises of five service factors and 21 customer service attributes: hotel room (cleanliness, comfort, in-room amenities, privacy space), customer service (unique personal service, efficiently meeting customer requirements, reservation system, shuttle service), food service (breakfast provided, feature food, selection of food, local produce), recreation service (narration of TRH, experience of rural life, itinerary planning, local sightseeing consultation), and facilities (parking, location, en-suite bathroom, security, design and decoration).*

The narrative and the provision of a definition for the Taiwanese rural hotel directly address a recent call for research on rural hotels in Taiwan from Chen et al. (2013). Chen et al. (2013) stress that many tourists still have reservations about staying at rural hotels because they do not know what services may be provided. Another call was for research to assist rural hotel operators in the

development of service quality guidelines. The 21 customer service attributes give potential customers, for the first time, an idea what kind of services they can expect in a Taiwanese rural hotel; although it still leaves open at what level of quality these services are provided. This links to Chen et al's (2013) second call, the one for the development of a service quality guideline. The definition of the Taiwanese rural hotel presented in this study may be used for the development of a service quality guideline and a stepping stone for local governments and the tourism bureau in the development of policies, guidelines, and larger scale customer satisfaction and service quality assessments. The proposed 21 service attributes, narrative, and definition present a framework that subsequent researchers in hospitality and tourism studies in the Taiwanese rural hotel context may want to consider when structuring their enquiries.

9.2.2. What are the important customer service attributes of Taiwanese rural hotels?

The literature has been criticised for a lack of discussion on customer service attributes in a rural tourism context in Taiwan. Furthermore the literature was critiqued for not providing adequate information on the customer service attribute identification process. In order to address this gap this thesis provides detailed information on the attribute identification process and a description of each customer service attribute. To assess how important customer service attributes identified in this study are, they were applied to a research sample of 1,500 rural hotel customers. The following results are based on the 1,161 valid returns.

The importance scores for the 21 customer service attributes range from a high score of 4.86 (cleanliness) to a low score of 3.35 (local produce) with a mean overall importance score of 4.24. Customers' importance scores were highest for the service attribute 'cleanliness' (attribute 1), reaching a mean importance score of 4.86 on the five-point Likert scale, followed by availability of 'en-suite bathroom' (attribute 19), reaching a mean importance score of 4.66 on the five point Likert

scale, and 'security' (attribute 20), with a mean importance score of 4.59 on the five-point Likert scale. The 'lowest' importance rates were given to 'local produce' (attribute 12), reaching a mean importance score of 3.35, followed by 'narration of Taiwanese rural hotel' (attribute 13), reaching a mean importance score of 3.78, and 'selection of food' (attribute 11), with a mean importance score of 3.87. The importance scores for each of the 21 customer service attributes are shown in table 9.1.

Table 9.1: Importance of customer service attributes

(n=1,161)	Importance	
Service Attributes (attribute number)	Mean	S.D
1. Cleanliness (1)	4.86	0.37
2. En-suite bathroom (19)	4.66	0.57
3. Security (20)	4.59	0.60
4. Privacy space (4)	4.53	0.61
5. Comfort (2)	4.52	0.61
6. Location (18)	4.46	0.62
7. Efficiently meeting customer requirements (6)	4.44	0.65
8. Reservation system (7)	4.40	0.66
9. Unique personal service (5)	4.37	0.71
10. Local sightseeing consultation (16)	4.22	0.70
11. Convenience of parking (17)	4.22	0.71
12. Design & Decoration (21)	4.18	0.80
13. Itinerary planning (15)	4.15	0.74
14. Breakfast provided (9)	4.13	0.80
15. In-room amenities (3)	4.09	0.80
16. Experience of rural life (14)	4.06	0.77
17. Shuttle service (8)	3.96	0.91
18. Feature of food (10)	3.94	0.80
19. Selection of food (11)	3.87	0.84
20. Narration of Taiwanese rural hotel (13)	3.78	0.88
21. Local produce (12)	3.35	0.96

The results show a high importance score for each of the 21 customer service attributes. It is therefore concluded that all 21 customer service attributes are important. The importance rank also shows that those attributes with the highest importance scores are, what might be referred to as, 'general' hotel attributes, such as cleanliness (Ramanathan and Ramanathan, 2013; Li et al., 2012; Han et

al., 2011; Magnini et al., 2011), en-suite bathroom (Zane, 1997), security (Yang et al., 2011a), parking (Loureiro, 2012), or efficiently meeting customer requirements (Wu and Yang, 2010) (see table 3.1 in chapter 3 for further comparisons). While the Taiwanese rural hotel has its distinguishing characteristics, such as attribute 20 'narration of rural hotel' or attribute 16 'experience of rural life', and while customers still give them high importance rates, the findings suggest that rural hotel customers are first and foremost concerned about 'general' hotel attributes, i.e. they expect a 'hotel service' and only then look for high performance of the Taiwanese rural hotel specific attributes. This contradicts an assumption made earlier by the author (in chapter 7, pages 242-243) that the distinguishing customer service attributes may play a 'special role' and would therefore require 'special attention'.

As was argued before, because of a lack of studies on (customer satisfaction in) Taiwanese rural hotels, it is difficult to compare results with the literature. For example, one recent related study is Chen (2014), who used an adapted version of IPA to study hot spring hotels in Taiwan. However, Chen (2014) includes attributes such as "convenience traffic route/shuttle", which -the author agrees- might impact upon customer satisfaction, but -like 'weather'- is not in the control of a business operator and is therefore not included in the present study. Another difference relates to the Likert scale. Chen (2014) used a 9 point Likert scale (as opposed to the 5 point Likert scale employed in this study). The importance scores in Chen (2014) show a high score of 6.06 for 'tourism route suggestion' and a low score of 4.91 'style of the interior', which suggests that his importance scores are generally lower than in the present study. It can only be speculated if this relates to the (lower) relevance customers give to Chen's (2014) attributes, who used Hsieh et al's (2008) 23 attributes for hot spring hotels. Hsieh et al (2008) has been criticised earlier in this study (see page 93) for the lack of transparency in identifying those 23 attributes.

However, while it is difficult to compare results to the literature, and because overall satisfaction and return intention were also assessed in this study, customer service attributes may be further differentiated using linear regression analysis. This method demonstrates the (lack of) strength of any variable in the overall model which aims to predict overall satisfaction and return intention of customers respectively with the Taiwanese rural hotel product (Kozak, 2003), .i.e. customer service attributes may be differentiated in regard to their relationship to overall satisfaction and return intention respectively. The results of the linear regression analysis show that (the detailed results are presented in chapter 8, section 8.3.5) factor 2 'facilities', which includes the five attributes 'convenience of parking', location', en-suite bathroom', 'security', and 'design and decoration', has the strongest influence on customers' overall satisfaction. Factor 2 also has the strongest influence on customers' return intention. This corresponds with the importance scores as presented in table 9.1, as the attributes from factor 2 are located in (or near) the upper half of the table ('en-suite bathroom' rank 2/21, 'security' rank 3/21, 'location' rank 6/21, 'convenience of parking' rank 11/21, and 'design and decoration' rank 12/21). This further emphasises the role of 'general' hotel attributes within the Taiwanese rural hotel.

9.2.3. How satisfied are customers of Taiwanese rural hotels?

The first thing to consider in answering this question is who customers to rural hotels are. This study provides, for the first time, a profile of the typical rural hotel customer by using the variables sex, age group, method used for choosing the hotel, and length of stay. It finds that the typical customer is female, between 21 and 30 years of age, chooses the rural hotel either on basis of recommendation from a friend or through the Internet and stays at the rural hotel for a duration of two nights (the details pertaining to customer profile were presented in chapter 8, section 8.2).

How satisfied customers to Taiwanese rural hotels are, will first be discussed in regard to customers' overall satisfaction. Using information on overall satisfaction and return intention, the typical customer is neither satisfied nor unsatisfied with the overall service experience and would probably return to the rural hotel. The majority of customers to rural hotels are neither satisfied nor unsatisfied with the service experience and more than 70 percent of customers chose this option (828 customers / 71.3 percent). Overall, there are more satisfied customers (175 customers / 15.1 percent) than unsatisfied customers (134 customers / 11.5 percent), showing a tendency that customers are rather happy than unhappy with the rural hotel experience. Only around one percent of customers are either very unsatisfied (14 customers / 1.2 percent) or very satisfied (10 customers / 0.9 percent). The positive tendency is also reflected, even to a stronger degree, in customers' return intentions. Here the majority of customers (467 customers / 40.2 percent) state that they are likely to stay at a rural hotel again in the future, followed by customers who are unsure (396 customers / 34.1 percent), but then notably followed by customers who would definitely return (178 customers / 15.3 percent). Comparatively few customers state that they will 'probably not' stay at a rural hotel again in the future or that they will 'definitely not' return.

How satisfied customers are with each of the 21 service attributes and five factors was then assessed by manipulating data with the four popular approaches EDP, PPO, IPA, and RIPA. Findings pertaining to EDP show statistical significance of all service attributes with the exception of one service attribute ('local produce'). All service attributes have negative disconfirmation scores, showing that customers' expectations are consistently higher than the perceived performance of the service. The EDP identifies 'cleanliness', 'security', and 'en-suite bathroom' as those attributes with the most immediate need for management attention.

Findings pertaining to PPO also show relatively high satisfaction rates, with a high rank of 3.98 for 'unique personal service' and a low score of 3.22 in 'selection of

food'. The findings suggest a potential for improvement in particular in regards to food service attributes.

Findings pertaining to IPA and using mean scores found that 'efficiently meeting customer requirements' and 'security' are most in need for improvement. Furthermore the IPA analysis and chart mapping show that the majority of attributes fall into either the keep up the good work quadrant (Q2) or the low priority quadrant (Q3). Only one attribute 'personal use provided' is in quadrant four, indicating possible overkill. By using median scores the results change slightly. It must also be considered that results change when owners place the IPA grid hairs differently.

Findings pertaining to RIPA and using mean scores the following six customer service attributes fall into the basic factors quadrant: 'cleanliness', 'privacy space', 'unique personal service', 'reservation system', 'location', and 'en-suite bathroom'. Four customer service attributes fall into the 'performance factors of high importance' quadrant: 'comfort', 'efficiently meeting customer requirements', 'convenience of parking', and 'security'. Seven service attributes fall into the 'performance factors of low importance' quadrant: 'personal use provided', 'feature of food', 'selection of food', 'local produce', 'narration of rural hotel', 'itinerary planning', and 'local sightseeing consultation'. Four attributes fall into the excitement factors quadrant: 'shuttle service', 'breakfast provided', 'experience of rural life', and 'design and decoration'. Again, it should be considered that results change when median scores are used and when owners place the RIPA grid hairs differently.

The above section shows that by using the four methods EDP, PPO, IPA, and RIPA there appear to be significant differences in the consistency of those approaches (the discussion here will consider results using the five factors, not the 21 attributes). While all four tested approaches are applicable in the context and turn out valid results, these results differ. Using the outcome oriented

approach PPO alone does produce relatively high satisfaction rates. However many researchers argue that performance ratings alone may not lead to the same practical applications as process oriented approaches such as EDP, IPA, or RIPA. For example, looking at the PPO scores in table 9.2, factor four 'food service' ranked last and would therefore warrant a commitment of resources to rectify the situation, if PPO was used in isolation. However, process oriented approaches indicate that food was the least important factor as far as customers were concerned. IPA clearly placed it in the low priority quadrant, RIPA placed it in the 'performance factor of low importance' quadrant, and EDP analysis marks out factor four as the factor with the lowest negative disconfirmation gap, indicating that action is needed more urgently in one of the other factors. Factor four is also the factor with the lowest importance / explicit score. This highlights the diagnostic potential inherent in the process oriented approaches, especially IPA and RIPA, and indicates superiority over the use of outcome models such as PPO.

The inconsistencies in results became apparent also in other ways, especially when considering that rural hotel owners may have limited resources and cannot go on improving all factors at once, but will want to prioritise on a few very 'important' attributes. For example, rural hotel owners who decide to use the EDP will look for the largest gaps between expectations and perceived perceptions in order to improve their services. In this study this will point them to factor three 'hotel room'. Owners who decide to use PPO will be pointed to improving the factor with the lowest performance, in this case factor four 'food service'. Owners using IPA can choose between factor two 'facilities', factor three 'hotel room', or factor five 'customer service' in order to 'keep up their good work'. Findings from the RIPA point out factor two 'facilities' as the most valuable factor for improvements. In comparison the highest importance/explicit rate is to be found in factor three, the highest implicit rate in factor two, while the highest influence on overall satisfaction is found in factor two and the one on return intention in factor one. In the (probably hypothetical) situation of a rural hotel owner

employing all these measurement methods, and with resources available for only working on one factor, he will be puzzled as to which results to follow and as to which one of the factors limited resources may be channelled to.

Using EDP only, a hotel owner may notice that customers' expectations are consistently higher in each of the five factors than customers' perceived performance. The hotel owner might interpret this information in a way that his customers are unsatisfied. However, looking at overall satisfaction and return intention, data not available from the EDP, it becomes apparent that a negative disconfirmation does not automatically result in unsatisfied customers. At large, customers were still relatively satisfied (neither satisfied nor unsatisfied) and even had good return intentions. This suggests that, while a disconfirmation at a high level' (i.e. in the range 3.22 to 3.98 mean) shows a discrepancy between customers' expectation and perception of performance, this does not necessarily result in overall dissatisfaction or low return intentions respectively. However, by using EDP exclusively this is not apparent and may mislead owners in their efforts for improving their business. This finding is a reminder of remarks of important contributors to the discourse, such as Parasuraman et al. (1991), who ascertain that one method will not provide all the (right) answers, and that always alternative methods should be considered for additional insights.

:hes to customer satisfaction measurement compared

	Importance/ Explicit	Implicit	Satisfaction/ PPO	EDP	IPA	RIPA	Overall satisfaction	R int
:e	4.05	0.0078	3.44	-0.61	Low priority	P-L	β=0.116	β=
	4.46	0.0413	3.63	-0.83	Keep up the good work	P-H	β=0.206	β=
	4.50	0.0184	3.63	-0.87	Keep up the good work	Basic	β=0.157	β=
	3.82	0.0181	3.31	-0.51	Low priority	P-L	β=0.140	β=
e	4.29	0.0029	3.66	-0.63	Keep up the good work	Basic	β=0.093	β=
	4.24	0.0188	3.54					

s underlined signify above average

Given the positive relationship between all factors and overall satisfaction, and return intention respectively, one could argue that any one of the four approaches might be used to measure customer satisfaction and to trigger improvement initiatives in Taiwanese rural hotels. As a consequence rural hotel owners may employ the most straightforward test of satisfaction, and many (for example Hudson et al., 2004) would probably argue that this is PPO. However the results, together with the additional open questions D3-D5, do indicate that, while 'nothing can go wrong' by using PPO, all of the process oriented approaches EDP, IPA, and RIPA are likely to produce "better" results, i.e. improving the top EDP, IPA, and RIPA factor will result in higher improvements in customers' overall satisfaction and return intention. This indicates a superiority of the process oriented approaches EDP, IPA, and RIPA over the outcome oriented approach PPO.

However, from a rural hotel owner perspective it would seem important to track trends of the extent to which expectations are met over time, or to what extent importance rates match with performance rates, as well as trends in performance and their relationships with overall performance and return intention (Hudson et al., 2004). The individual methods, whichever one is applied, should be seen as periodic monitoring devices for detecting any shifts (Hudson et al., 2004). Should negative shifts occur, it may be worth considering alternative qualitative approaches to investigating exactly what the problem is, and how it may be tackled. It seems that the different approaches to measuring customer satisfaction cannot be distinguished into true or false but rather into more and less straight forward to use, and also more or less encompassing and hence useful for different purposes (Hudson et al., 2004). More research will be needed to bring about clarity which approach is likely to produce the best overall results and in a particular context. Based on the findings in this study and the diagnostic potential of process oriented approaches the results seem to favour the process oriented approaches over the outcome oriented approach.

There are not many comparative studies in the hospitality and tourism literature which have employed multiple measurement methods simultaneously to one set of data. However in the few accounts where multiple measurement methods have been employed, for example Yang et al. (2011a), Ritchie et al. (2008), Hudson et al. (2004), or Yuksel and Rimmington (1998), authors tend to use reliability (for PPO and EDP) or validity (for IPA and RIPA) as selection criteria as to which findings should be considered most important. This is possible when reliability or validity tests respectively produce significantly different results. This however is not the case in the present study. The findings in chapter eight show that reliability for PPO and EDP and validity for IPA and RIPA respectively are high. This suggests that results of all four measurement methods can be trusted.

Assessing customer satisfaction in this multiple methodology approach allows hotel owners to

- identify which attributes or factors are most important to customers
- know if the right attributes or factors are provided to customers
- assess real strengths and weaknesses of hotel performance
- know which attributes or factors have the potential to surprise customers
- know which attributes or factors have the biggest impact on overall satisfaction
- know which attributes or factors have the biggest impact on customer retention

It is therefore concluded that using only (any) one of the four tested methods will only result in an incomplete assessment of the hotel's performance. It is suggested that customer satisfaction is best modelled as a complex system that incorporates multiple measurements, using different methods and over time.

Using different measurement methods simultaneously confirms Yang et al's (2011a) observation, that it is "better" to conduct several surveys simultaneously (they used IPA, RIPA, importance-satisfaction model, and improvement index). It is also in line with Williams' (1998) findings, who ascertains that a pluralistic approach, using a range of instruments, should be used to measure service quality, rather than just one. It also goes back to Parasuraman et al's (1991) early remark that using one measurement method (in their case SERVQUAL) can be a "starting point" to an inquiry, not the final answer, and that other approaches can supplement this one. Having said that, it is important to consider Hudson et al's (2004) findings. They (Hudson et al., 2004) argue that, with no statistical difference between the tests (as is the case in the present study), any (one) can be used to measure satisfaction. This enables managers to employ the most straight forward test of satisfaction (Hudson et al., 2004). However, when deciding to use just one measurement method, one will have to decide which of the available measurement methods to choose from. As different measurement methods have turned out valid results and researchers found strengths and weaknesses with each one of them, deciding on the "right one" measurement tool for a specific case will already require a certain degree of familiarity with the topic, and may not be an easy choice. It is argued that the proposed multi-method approach in this study, together with the proposed assessment tool, allows researchers to make this (difficult) decision in hindsight of results. This would probably allow to weigh decisions more accurately.

This study provides evidence that the effect of customer service attributes / factors directly influences behavioural intentions, even when the four constructs are considered simultaneously and using the same data. This not only underscores the practical significance of each construct but also emphasises the need to adopt a more holistic view of customer satisfaction in the hospitality and tourism discourse. This corresponds to the conclusion reached in the literature chapter four on customer satisfaction and the discussion of measurement

methods that 'customer satisfaction' ultimately is related to *what* is being measured. When *what* is being measured is different (i.e. only perceived performance or also prior expectations, or outcome versus process oriented approaches) then it should not come as a surprise that the outcome also differs. Accordingly it will depend on the view / conceptualisation of customer satisfaction of a stakeholder as to which tool he wants to employ in measuring customer satisfaction. This however should be an informed decision, and it needs to be transparent in the results as to which method has been used in obtaining satisfaction scores, especially when comparing studies with each other. It seems that as yet this is not adequately addressed in the hospitality and tourism discourse and the evidence presented in this thesis suggests this is a worthy area of pursuit.

The questionnaire instrument developed for this study incorporates four popular conceptualisations in one research instrument. This research instrument has been empirically tested on a representative scale (1,161/1,500) and, despite its substance, turns out a good response rate (77.4 percent) and little respondent fatigue. It may present a practical tool that tourism researchers and practitioners in customer satisfaction in the hospitality and tourism industry might want to consider in assessing customer satisfaction in their inquiries.

The next section will summarise the main contributions to knowledge emanating from this study.

9.3. Summary of contribution to knowledge

This section briefly summarises the key contributions to knowledge. Contributions are made in respect to the conceptualisation and definition of the Taiwanese rural hotel product; the Taiwanese rural hotel customer profile; customer service

attributes in Taiwanese rural hotels; the assessment of customer satisfaction in Taiwanese rural hotels and validation of four customer satisfaction measurement methods (EDP, PPO, IPA, RIPA); and the multi-method customer satisfaction assessment tool.

1. Conceptualisation and definition of the Taiwanese rural hotel: The first contribution relates to the conceptualisation and definition of the Taiwanese rural hotel. The term 'Taiwanese rural hotel' was introduced as a conceptual term for the present study. It differentiated and defined this unique type of accommodation from others. The definition presented in this study, together with the list and description of 21 customer service attributes, the characteristics of hotel customers, as well as customer satisfaction scores in Taiwanese rural hotels may serve as a framework that other researchers with an interest in small and independently owned accommodations in rural areas in Taiwan may want to consider in structuring their inquiries. It is hoped that the detailed information on the Taiwanese rural hotel provided in this thesis will also facilitate comparison with establishments in other countries and / or other contexts.

2. Taiwanese rural hotel customer profile: The second contribution relates to Taiwanese rural hotel customer characteristics. With tourism still being a relatively new phenomenon in Taiwan little is known about the characteristics of tourists, in particular visitors to Taiwanese rural hotels. This study provides, for the first time, and based on a large research sample (1,161/1,500), a profile of the typical Taiwanese rural hotel customer. The typical Taiwanese rural hotel customer is female, between 21 and 30 years of age, chooses the rural hotel either on basis of recommendation from a friend or through the Internet, stays at the rural hotel for a duration of two nights, is neither satisfied nor unsatisfied with the service experience, and "definitely would" or "probably would" (same scores) return to a Taiwanese rural hotel.

23. Customer service attributes in Taiwanese rural hotels: The third contribution relates to customer service attributes offered in Taiwanese rural hotels. By defining the 21 customer service attributes and five factors pertaining to the Taiwanese rural hotel product the results of this study fill a gap in the literature and provide different stakeholders, may it be owners of Taiwanese rural hotels with intention to measure customer satisfaction, government representatives, or fellow researchers, with invaluable information. The clear identification of customer service attributes, and setting forth the research trail of how they were found, addresses the criticism in the literature review that the selection of service attributes in tourism and hospitality research is often not adequately justified and / or explained. The proposed 21 customer service attributes and five factors present a framework that subsequent researchers in hospitality and tourism studies in the Taiwanese rural hotel context may want to consider when structuring their enquiries.

4. Assessment of customer satisfaction in Taiwanese rural hotels and validation of measurement methods (EDP, PPO, IPA, RIPA): This study is the first assessment of customer satisfaction in Taiwanese rural hotels. A contribution is made in validating four popular approaches of customer satisfaction measurement (EDP, PPO, IPA, RIPA) for the Taiwanese rural hotel context. This study provides empirical evidence that the four tested conceptualisations of customer satisfaction measurement EDP, PPO, IPA, and RIPA are all valid and applicable to the Taiwanese rural hotel context. Process outcome oriented methods seem to be superior to outcome oriented approaches. However, as different methods produce different results, it is suggested that the different methods are not used in isolation but that a combination of methods, for example by using the multi-method customer satisfaction tool that was developed for this study, will produce richer and more meaningful results.

5. Multi-method customer satisfaction assessment tool: The fifth contribution relates to the multi-method customer satisfaction assessment tool which has been produced in this study. This tool combines the data requirement of four different established customer service measurement methods, it has been applied to a large sample (1,500), and shows a good acceptance rate (1,161 returned questionnaires) with little respondent fatigue. Other researchers or practitioners may want to consider using this tool in future assessments of (Taiwanese rural) hotels.

9.4. Research limitations

This section discusses limitations pertaining to the present study. Research limitations are discussed in respect to the identification process for customer service attributes through interviews, actual improvement of customer satisfaction, the questionnaire instrument, customers' intentions to recommend the Taiwanese rural hotel through word of mouth, the interpretation of pre-experience important ratings and customer expectations, the (lack of) comparison of research findings between the three different counties and hotels, the exclusion of illegal rural hotels, seasonality, as well as semantic issues.

Identification of customer service attributes through interviews: One of this study's aims was to address a gap in the literature pertaining to which customer service attributes are or should be offered in Taiwanese rural hotels. Because very little is known about customer service attributes in a rural tourism context in Taiwan the wider literature on customer satisfaction and customer service attributes was consulted. Considering that customer service attributes will often be context specific, this was done especially to find the appropriate methodology for identifying customer service attributes. However, the literature review showed that authors in tourism research (for example Ramanathan and Ramanathan,

2013; Torres and Kline, 2013; Zane, 1997) often do not include information on how customer service attributes are identified, or they do so sparingly (for example Chi and Qu, 2009; Hsieh et al., 2008; Tsai, 2007). The critique of the literature pointed out some pitfalls and shortcomings of those approaches and, as a consequence, employed a, what is argued to be a more thorough, mixed methods research approach that includes representatives from all each of the three main interest groups (customers, hotel owners, and experts). Despite this the qualitative part of the study could not identify all customer service attributes.

It speaks for the design of the study that customer service attributes identified in the qualitative part of the research were in addition checked for their validity and completeness through their application in the quantitative study (questionnaire sections B and C of the questionnaire) and that the open questions D3 "What were the best service attributes at the hotel you were staying at?", D4 "What were the worst service attributes at the hotel you were staying at?", and D5 "What do you think can be improved at rural hotels?" were included (section D of the questionnaire). This points out potential additional attributes, such as "noise", "price", or "grading system". However, it may be questioned why those attributes were not identified in the interviews. Under this light, and with hindsight of the good compliance of respondents, the decision to drop focus groups for the identification process of customer service attributes might be reconsidered. Future research may consider additional (qualitative and/or quantitative) methods for identifying customer service attributes.

Improved customer satisfaction: This study shows that different customer satisfaction measurement methods bring about different results. Accordingly hotel owners may choose which factor or service attribute they want to improve. However findings from this study can only point out areas for improvement. As yet there is no empirical evidence that improvement initiatives will actually result in improved customer satisfaction. Future research may conduct a post

implementation analysis in order to investigate which improved factors actually result in improved customer satisfaction. In this way hotel owners, who are faced with several improvement options after their initial customer satisfaction assessment, may then be able to decide with more reliability which of the factors they should improve.

One or two questionnaires: This study aimed to integrate data requirements for various conceptualisations of customer satisfaction measurement into one research instrument. This was for various reasons, including overcoming respondent fatigue which may be caused by the use of multiple questionnaires, and limited resources available to tourism researchers. However, it may be argued that acquiring information in one instrument (even in a two part questionnaire that asks customer information at different points in time) may produce different results than when acquiring these sets of data separately. It can only be speculated if this would have altered research findings, and this has not been further elaborated in this study. The researcher has no assurance but relied on customers' credibility that they have indeed filled in the first part of the questionnaire (parts A and B) before theirs stay, and that they only completed the rest of the questionnaire (parts C and D) upon check-out. However, it is questionable if conducting such a survey is even feasible using two separate questionnaires.

Intention to recommend hotel to others via word of mouth: Kozak and Rimmington (2000) emphasised the significant relationship between tourist satisfaction, intention to return, and positive word-of–mouth. Chen et al. (2013) found that over 90 percent of B&B guests in Taiwan are willing to recommend a B&B via word of mouth. This study did not investigate customers' intentions to recommend a hotel to others via word of mouth. This is something that may be included in future investigations of customer satisfaction in the Taiwanese rural hotel to further our understanding of the correlation between satisfaction and positive word of mouth.

Pre-experience importance rating and customer expectation: Another possible limitation pertaining to data collection is related to the interpretation used in this study on whether or not there is a difference between pre-experience importance ratings and customer expectations. This was largely based on the results of the piloting phase of this study, where respondents could not agree that there was a relevant difference between the two. This may be addressed in more detail in the future. Likewise it may be investigated if there is a difference between pre and post importance ratings customers give to individual service attributes. The research instrument developed for this study has not identified any post-importance scores and this may be seen as a limitation.

Comparison of different hotels: This study investigated customer satisfaction in 36 rural hotels and across three counties in Taiwan. Other researchers, for example Hu et al. (2012), in their study of performance of homestays in Taiwan, have compared results between different hotels. This study has considered Taiwanese rural hotels in Hualien, Yilan, and Nantow as one homogenous group. However, there may be differences in customer satisfaction between the different regions and/or between different hotels, and this could be investigated in future research. As the number of Taiwanese rural hotels continues to grow (Taiwan Tourism Bureau, 2013a), especially in the south of Taiwan, a comparison between the more established rural hotels (as investigated in the present study) and "new" rural hotels in upcoming tourist areas might be interesting.

Legal and illegal hotels: The research population in this study consisted of legal Taiwanese rural hotels only. However, considering the ongoing rise of rural tourism in Taiwan and the increasing demand for tourist accommodations (Taiwan Tourism Bureau, 2013a) and many new rural hotels especially in the South of Taiwan, it is conceivable that there might be considerable number rural hotels that are operating illegally. On one hand this study is limited to legal Taiwanese rural hotels. It is not suggested to automatically generalise findings

from this study to Taiwanese illegal rural hotels. Wu and Yang (2010) found that customers rated it a must-be quality that B&Bs were "a legally registered enterprise". Although the presented study only included legally registered rural hotels, whether or not this was of importance to customers, and if it influenced their satisfaction, was not assessed. This may be included as an attribute in future investigations.

Seasonality: Last but not least it need be mentioned that the quantitative part of this study (i.e. the customer satisfaction questionnaire) was conducted over 40 consecutive days and during the high season. This study was conducted during the festive period and around the Chinese New Year (high season). Tourists who travel in different seasons may form different opinions of a destination. It is generally accepted in tourism and hospitality research that seasonality restricts the generalisability of research findings and should be taken into account when interpreting data (Chi and Qu, 2009). Although recent research by Petrevska (2013) finds that there may be exceptions, it is suggested that the findings presented in this study are limited to high season travellers. To overcome this limitation future research could apply this survey in different seasons. A more longitudinal approach to customer satisfaction and the inclusion of off peak periods may reveal additional findings and it is possible that satisfaction rates may alter in different seasons. This also needs to be considered when interpreting and comparing results with other studies, for example Chen et al's (2013), who obtained their data in the low travel season.

Taiwanese rural hotel, B&Bs, homestays, and hot spring hotels: This study has tried to make a differentiation, not only between big and small hotels, but also between the Taiwanese rural hotel, B&Bs, and homestays. It is argued that the Taiwanese rural hotel is a phenomenon with its own distinctive characteristics. It is argued that this is the first study on customer satisfaction and its measurement in Taiwanese rural hotels. As a consequence the comparisons made in this study,

for example with B&Bs in Taiwan (Chen et al., 2013) or hot spring hotels (Hsieh et al., 2008; Deng, 2007), are limited. More research needs to be done in Taiwanese rural hotels so that the research findings in the present study can be compared like for like.

9.5. Future research

This section discusses potential areas for future research based on this investigation. This includes applying the customer service attributes identified in this study to other areas in Taiwan, to prioritise and complement customer service attributes in the light of customers' minimum expectations, to investigate why different measurement methods turn out different valid results, to employ additional measurement methods for assessing customer satisfaction in rural hotels in Taiwan, to set up a classification system for Taiwanese rural hotels, and to conduct research on rural hotels using online reviews.

Applying customer service attributes to other regions in Taiwan: The customer service attributes identified in this study have been applied to (or stem from, in case of the additional attributes) 38 rural hotels in the three counties of Taiwan with the highest rural hotel population. Future research may apply those attributes to other counties in Taiwan. Of particular interest may be the South of Taiwan, which has recently seen a growing population of rural hotels (Taiwan Tourism Bureau, 2013a). This may mark out possible regional differences in the Taiwanese rural hotel product, which has not become apparent in this study. Future investigations could also inquire trends in the Taiwanese rural hotel market, for example through longitudinal studies and using the present data as a benchmark.

Prioritising and complementing customer service attributes in the light of customers' minimum expectations: Future research may verify or suggest amendments and / or additions to the customer service attributes identified in this study. The open questions in section D of the questionnaire already provide hints that there may be additional relevant attributes, such as 'noise' or 'identity'. In addition it might be worth to conduct studies on the prioritisation of customer service attributes. This could be of particular interest to hotel owners. Findings from the linear multiple regression analysis so far explain only a fraction of the influence that factors have on overall satisfaction and return intention. Given that customers reported being satisfied even when the rural hotel did not fulfil their expectations, an examination of minimum expectations may be particularly fruitful. Also, overall repurchase intention was higher than overall customer satisfaction. The relationship between attributes and the effect they have on repurchase intentions may be addressed in more detail in the future. It must also be considered that customers' expectations may change over time and that the proposed 21 customer service attributes may need to be updated on a regular basis.

Investigating why different measurement methods turn out different valid results: Findings from the quantitative part of the study suggest that various measurement approaches may be combined with each other in order to achieve a more complex and complete picture of customer satisfaction. Why different measurement methods turn out different results was not the aim of this study. However, it does present an interesting opportunity for future research. The question is if different measurement methods, even taking into account that employing a particular measurement method and analysis technique will be posited on one of several theoretical constructs (Oh and Parks, 1997) and their (lack of) empirical underpinnings (Pizam and Ellis, 1999), or on a lack of resources for the research respectively (for example Wu and Yang, 2010), if

applied to the same phenomena, should not turn out the same, or at least similar, results?

The study emphasises that the literature currently lacks a coherent body of similar multi-measurement multi-method research of customer satisfaction in tourism and hospitality research. Contributions by Yang et al. (2011a), in a study on hotel service quality assessments, Ritchie et al. (2008), in their study on visitor satisfaction at attractions in Australia, Yuksel and Rimmington (1998), who studied 12 restaurant service attributes in a chain restaurant, and Hudson et al. (2004), in a service quality measurement study in the tour operating sector, show that this is an unresolved issue. These studies, together with the present study, provide a springboard for future research on this phenomenon.

Employing additional measurement methods for assessing customer satisfaction in rural hotels in Taiwan: This thesis has 'tested' the four arguably most common approaches to customer satisfaction conceptualisation and measurement. This however does not suggest that they are also the 'best' approaches. Other researchers have suggested alternative ways for measuring customer satisfaction that seem plausible and interesting, but have not (yet) attracted so much attention (Deng, 2008). To mind come for example Barsky and Labagh (1992) who conceptualise and measure customer satisfaction using the two variables 'met expectations' and 'service importance', which they multiply with each other and sum up for each service attribute to calculate overall satisfaction. They contend therefore that customer satisfaction is determined by expectations and various other pre-experience standards, the service performance, and factors affecting the actual perception of the service (i.e. how an individual perceives the experience of receiving or using a service). Results are, similarly to the IPA, placed on a two-dimensional grid and in four quadrants 'critical strength', insignificant strength', 'potential threat', and 'risk/opportunity' (Barsky and Labagh, 1992).

It seems that by asking customers directly to what extent their expectation had been met for a particular service attribute and how important they perceive the particular attribute to be, eliminates ambiguity or problems associated with different standards for comparison in expectations and changing expectation over time. The standard for comparison is set at the customer's own standard, however this may have been formed (for example through previous experience, their latest service experience, the industry standard, or an ideal). This information, coupled with information how important a particular service attribute was in hindsight, pays tribute to possible changing expectations. Therefore the approach seems to acknowledge the inevitable subjectivity of individual customers, and there is no reason to suggest not including this in customer satisfaction measurements. Future research may consider employing this approach in a Taiwanese context and comparing its aptitude for measuring satisfaction with the four discussed approaches.

Chen (2014) makes a recent contribution to tourism research by introducing an improved importance-performance analysis model that focuses on competitive advantage. His model, which has been applied to hot spring hotels in Taiwan, allows the evaluation of service quality based on the competitive zone of tolerance by benchmarking against competitors. His improved model of IPA, "CZIPA" (competitive zone of tolerance service quality based IPA) seems to offer an interesting approach to dealing with measurement bias, which is a problem in using the traditional IPA. By using comparison to competitors as a "scientific control", his model also offers an approach to dealing with the problem of the placement of crosshairs in IPA and RIPA. From a hotel owner's point of view, Chen's (2014) contribution might also be interesting, in that it proposes a model that allows owners to prioritise attributes for improvement more easily.

Classifying Taiwanese rural hotels: With the Taiwanese rural hotel product defined and the customer satisfaction assessment tool in place, future research

may attempt classifying rural hotels in regard to their performance in each of the (21) customer service attributes or factors. Such a study may also consider the price-value component, which was not investigated in this study. Such findings could help hotel owners in providing the right amount of service. Rural hotel customers would have an additional criterion against which to choose their accommodation and will not be surprised by price outliers. Introducing a classification system for Taiwanese rural hotels may be another move forward in Taiwan establishing itself as a tourist destination, one that has only recently, in 2010, introduced a (five-) star rating for its international hotels (Taiwan Tourism Bureau, 2013a).

Online customer reviews: Online reviews are quickly becoming one of the most popular tools for exploring customer behaviour (Li et al., 2012). From a research perspective user-generated content, such as online reviews of rural hotels, is a potentially rich source of customer information regarding opinions, sentiment and customer satisfaction. Recent studies (for example Ramanathan and Ramanathan, 2013; Li et al., 2012; Ye et al., 2011; Xie et al., 2011) illustrate that hospitality related information on consumer behaviour can be extracted from user-generated content. The rapid development of the internet and online review platforms opens new opportunities for research, and this can also be used in future investigations of the Taiwanese rural hotel.

9.6. Reflections and aspirations

As a final reflection, and building on tables 5.1 and 7.18, table 9.3 shows a comparison of the overall methodological approach of the present study with other relevant studies in the field. It shows that this study makes a contribution in that it presents a much wider study, with a questionnaire that seeks to give a cultural and rural tourism focus in the context of Taiwan, and examining the rural

tourism offer in Taiwan by employing it to a much wider population (scope and location) than comparable studies. The research approach, design, and its execution, by combining qualitative and quantitative methods, thus builds on and extends previous approaches to customer satisfaction research, especially in Taiwan.

There are certainly many important aspects related to customer satisfaction in the rural tourism and hospitality industry in Taiwan that do not yet get addressed and that are beyond the scope of this study. This research points out some key controversies, methodological, political, regulatory and cultural in the rural tourism development in Taiwan. More work and more research on these issues is important to further understanding of conceptualisations of customer satisfaction and its measurement, both in a Taiwanese and an international context. It is suggested that effective customer satisfaction requires thorough understanding of existing tourism and hospitality settlements at a local level, for example a Taiwanese rural hotel, and a theoretical understanding of different conceptualisations of customer satisfaction measurement in order to inform the ways in which changes may be brought about in a particular cultural, regional, or national context. At the moment it is not clear who could take this position. A kind of overseeing 'Taiwanese rural hotel'-body seems desirable, which should offer support to individual rural hotel owners and different rural tourist regions in Taiwan. Developments and efforts in the Taiwanese rural hotel sector need to be stronger regulated, monitored, researched and documented.

This research has discovered that, probably due to tourism still being a relatively new phenomenon in Taiwan, the Taiwanese rural hotel sector is yet a rather untapped area of research. The increasing importance of tourism in Taiwan and the still growing Taiwanese rural hotel product present an interesting research environment. Carrying out this study has underlined some of the practical problems in conducting research on customer satisfaction more generally and

mixed method research in this subject area in particular, such as access to good quality data (regulations, guidelines, academic publications on the subject), as well as different cultural considerations in interpreting studies for different parts of the world. Finally, the author hopes that the findings and conclusions emanating from this study provides a foundation for further research in the subject area. It is also hoped that, in understanding customer satisfaction measurement in the Taiwanese rural tourism context, this study makes a contribution to the positive development of the Taiwanese rural hotel.

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Appendix A: Interview guidance sheets

1. Interview guidance sheet for expert 1 interview

Expert name:_____ Position held:
Time and date of interview:
Voice recorded: yes / no

Briefly introduce myself as a student from Sheffield Hallam University in the UK, the purpose of the study, and the length of the interview (about 45 minutes).

1. How would you describe the typical Taiwanese rural hotel? What type and kind of customer service attributes should hotel owners offer and customers be able to expect?

2. What do you think are the biggest challenges operators of Taiwanese rural hotels may face in managing the hotel?

3. How do you see the future development of Taiwanese rural hotels?

4. Do you have any other comments or suggestions?

The interview is now complete. I will send you a transcript of the interview for verification by _____. Thank you very much for your cooperation.

Note end time of interview and duration: _____ (minutes)

Memory script:

Transcript sent for verification on:

2. Interview guidance sheet for expert 2 interview

Expert name:_____ Position held: Time and date of interview: Voice recorded: yes / no

Briefly introduce myself as a student from Sheffield Hallam University in the UK, the purpose of the study, and the length of the interview (about 45 minutes).

1. What can you tell me about the history of Taiwanese rural hotels?

2. How would you describe the typical Taiwanese rural hotel? What type and kind of customer service attributes should hotel owners offer and customers be able to expect?

3. What do you think are the biggest challenges operators of Taiwanese rural hotels may face in managing the hotel?

4. How do you see the future development of Taiwanese rural hotels?

5. Do you have any other comments or suggestions?

The interview is now complete. I will send you a transcript of the interview for verification by _____. Thank you very much for your cooperation.

Note end time of interview and duration: _____ (minutes)

Memory script:

Transcript sent for verification on:

3. Interview guidance sheet for hotel owner interviews

Hotel owner name:_____ Location:
Time and date of interview:
Voice recorded: yes / no

Briefly introduce myself as a student from Sheffield Hallam University in the UK, the purpose of the study, and the length of the interview (about 45 minutes).

1. What type and kind of customer service attributes do you provide and what do your customers expect? If necessary guide the interview towards the following topics: -attractions -room service -food service -other

2. What are the biggest challenges you face in managing the hotel? If necessary guide the interview towards the following topics: -operation -improvement -external support

3. Do you have any other comments or suggestions?

The interview is now complete. I will send you a transcript of the interview for verification by _____. Thank you very much for your cooperation.

Note end time of interview and duration: _____ (minutes)

Guided walk around at hotel: yes / no

Any other hotel information (history, number of rooms, price range, specialities, themes, etc.):

Memory script:

Transcript sent for verification on:

4. Interview guidance sheet for customer interviews

Approach customer and briefly introduce myself as a Hospitality and Tourism student from Sheffield Hallam University in the UK.

Ask elimination question:
Have you ever been to a Taiwanese rural hotel before? Yes/ No

If no abandon interview, if yes proceed with briefly explaining the purpose of the study and informing about the duration of the interview (approximately 30 minutes).

Interview location:_____ Any other customer information: Time and date of interview:_____ Voice recorded: yes / no

1. How and where did you find about and select the rural hotel?

2. Why did you choose to stay at a rural hotel?

3. What kind of service attributes are you looking for in particular at a rural hotel?

4. What role does food take in the services provided at the rural hotel? Do you expect anything in particular? (for example how many meals available or included, how much offer, local produce, booking required, nearby restaurants, etc.)

5. Can you tell me about an unforgettable experience you had at a Taiwanese rural hotel?
Yes, No, I didn't have one.

6. Is there any service attribute you can think of that you would like to be offered at a rural hotel, and which is currently not offered, or not offered in the way that satisfies your expectations fully?

7. Do you have any other comments or suggestions?

The interview is now complete. Thank you very much for your cooperation.

Memory script:

Appendix B: Questionnaire

Dear Sir/Madam,

I am currently undertaking a doctoral research on customer satisfaction for my PhD thesis. Your opinion is very important for my study and may contribute to raising the level of service in the Taiwanese rural hotel industry.

Please fill in **SECTION A** and **SECTION B** of this questionnaire first, when **checking in** at the hotel.

Please fill in **Section C** and **Section D** when **checking out** of the hotel.

Your participation in this study is completely voluntary. All the information is anonymous and will be treated as highly confidential.

Thank you very much for your co-operation.

I-Ting Chen
PhD Researcher
Sheffield Hallam University
i-ting_chen@hotmail.com

Section A:

1. Gender: □ Male □ Female
2. Age: □≦20 □ 21-30 □ 31-40 □ 41-50 □ 51-60 □ ≧61
3. How did you choose the rural hotels? (Tick **two** boxes only)
   - □ recommended by friends
   - □ magazine, newspaper, etc.
   - □ TV programme
   - □ travel agent
   - □ internet
   - □ been before
   - □ other _____ (please specify)
4. How many nights are you going to stay at this rural hotel? _____

Section B: Before your stay

How important were these service attributes in choosing the rural hotel?

Please rate each service attribute on the following scale by circling one number.

5	4	3	2	1
Very important	Important	Neither important nor unimportant	Unimportant	Very unimportant

1) Cleanliness		5	4	3	2	1
2) Comfort		5	4	3	2	1
3) In-room amenities	(towels; soaps, etc.)	5	4	3	2	1
4) Privacy space		5	4	3	2	1
5) Unique personal service		5	4	3	2	1
6) Efficiently meeting customer requirements		5	4	3	2	1
7) Reservation system		5	4	3	2	1
8) Shuttle service		5	4	3	2	1
9) Breakfast provided		5	4	3	2	1
10) Feature of food		5	4	3	2	1
11) Selection of food		5	4	3	2	1
12) Local produce		5	4	3	2	1
13) Narration of rural hotel		5	4	3	2	1
14) Experience of rural life		5	4	3	2	1
15) Itinerary planning		5	4	3	2	1
16) Local sightseeing consultation		5	4	3	2	1
17) Convenience of parking		5	4	3	2	1
18) Location		5	4	3	2	1
19) En-suite bathroom		5	4	3	2	1
20) Security (e.g. fire control, room lock)		5	4	3	2	1
21) Design and decoration		5	4	3	2	1

* Thank you. The first part of the questionnaire is now complete. Please fill in Section C and Section D upon check-out.

Section C: After your stay

How satisfied were you with each of these service attributes at this rural hotel?

Please rate each service attribute on the following scale by circling one number.

5	4	3	2	1
Very satisfied	Satisfied	Neither satisfied nor unsatisfied	Unsatisfied	Very unsatisfied

1) Cleanliness	5	4	3	2	1
2) Comfort	5	4	3	2	1
3) In-room amenities (towels; soaps, etc.)	5	4	3	2	1
4) Privacy space	5	4	3	2	1
5) Unique personal service	5	4	3	2	1
6) Efficiently meeting customer requirements	5	4	3	2	1
7) Reservation system	5	4	3	2	1
8) Shuttle service	5	4	3	2	1
9) Breakfast provided	5	4	3	2	1
10) Feature of food	5	4	3	2	1
11) Selection of food	5	4	3	2	1
12) Local produce	5	4	3	2	1
13) Narration of rural hotel	5	4	3	2	1
14) Experience of rural life	5	4	3	2	1
15) Itinerary planning	5	4	3	2	1
16) Local sightseeing consultation	5	4	3	2	1
17) Convenience of parking	5	4	3	2	1
18) Location	5	4	3	2	1
19) En-suite bathroom	5	4	3	2	1
20) Security (e.g. fire control, room lock)	5	4	3	2	1
21) Design and decoration	5	4	3	2	1

Section D:

1. How satisfied or unsatisfied were you with the overall service during your stay at this rural hotel?

□Very satisfied □Satisfied □Neither satisfied nor unsatisfied □Unsatisfied □Very unsatisfied

2. Would you like to stay at a rural hotel in the future?

□Definitely would □Probably would □Unsure □Probably not □Definitely not

3. What were the **best** service attributes at the hotel you were staying at?

_____

_____

_____

4. What were the **worst** service attributes at the hotel you were staying at?

_____

_____

_____

5. What do you think can be **improved** at rural hotels?

_____

_____

_____

* All sections of the questionnaire are now complete. Please return the questionnaire at the hotel's reception. Thank you very much for your time and participation in this study.

Appendix C: Rural hotel impressions

Because the average reader in the UK will not have actually been to a rural hotel this appendix aims to give a few impressions of the Taiwanese rural hotel. The below pictures exemplify the differences in service level customers can currently expect when booking just any rural hotel.

Impressions of the rural hotel with green surroundings

Two different experiences of a bed-room; the author would describe the above room as 'medium standard' and the below room as 'low standard'; the rooms are being offered in the same price class

Two different experiences of a bathroom. The bathroom on the left will leave quite a different impression with the customer than the right one.

The importance of food in the Taiwanese culture and the friendly interaction between owner and customer, i.e. a unique personal service and possible sharing a secret receipt or possibly along with a 'narration of the rural hotel'. The pictures below show the especially prepared home made food using local ingredients (plums and bamboo from the farm).

Appendix D: Summary of mean importance and performance scores by gender

Customer service attribute	Mean Male (Female)	Mean d.f.
I Cleanliness	4.78 (4.92)	-0.14
P Cleanliness	3.58 (3.56)	0.02
I Comfort	4.44 (4.57)	-0.13
P Comfort	3.67 (3.69)	-0.02
I In-room amenities	4.00 (4.15)	-0.15
P In-room amenities	3.64 (3.65)	-0.01
I Privacy space	4.49 (4.57)	-0.08
P Privacy space	3.64 (3.59)	0.05
I Unique personal service	4.38 (4.37)	0.01
P Unique personal service	3.98 (3.97)	0.01
I Efficiently meeting customer requirements	4.38 (4.49)	-0.11
P Efficiently meeting customer requirements	3.51 (3.54)	-0.03
I Reservation system	4.36 (4.43)	-0.07
P Reservation system	3.66 (3.66)	0.00
I Shuttle service	3.85 (4.04)	-0.19
P Shuttle service	3.50 (3.44)	0.06
I Breakfast provided	4.04 (4.20)	-0.16
P Breakfast provided	3.39 (3.44)	-0.05
I Feature of food	3.87 (3.98)	-0.11
P Feature of food	3.26 (3.27)	-0.01
I Selection of food	3.84 (3.89)	-0.05
P Selection of food	3.21 (3.22)	-0.01
I Local produce	3.34 (3.36)	-0.02
P Local produce	3.34 (3.31)	0.03
I Narration of rural hotels	3.69 (3.84)	-0.15
P Narration of rural hotels	3.43 (3.44)	-0.01
I Experience of rural life	4.02 (4.09)	-0.07
P Experience of rural life	3.39 (3.42)	-0.03
I Itinerary planning	4.07 (4.21)	-0.14
P Itinerary planning	3.45 (3.44)	0.01
I Local sightseeing consultation	4.19 (4.24)	-0.05
P Local sightseeing consultation	3.48 (3.45)	0.03
I Convenience of parking	4.36 (4.45)	-0.09
P Convenience of parking	3.68 (3.75)	-0.07
I Location	4.41 (4.49)	-0.08
P Location	3.70 (3.76)	-0.06
I En-suite bathroom	4.60 (4.70)	-0.10
P En-suite bathroom	3.69 (3.72)	-0.03
I Security	4.50 (4.66)	-0.16
P Security	3.49 (3.53)	-0.04
I Design and decoration	4.16 (4.19)	-0.03
P Design and decoration	3.44 (3.49)	-0.05

Analysis of variance (ANOVA) was used to analyse the difference in the constructs within the gender factors.

- Female importance (I) scores are higher than male importance(I) scores for all service attributes except for the attribute 'unique personal service'
- Female performance (P) scores are generally higher than male performance (P) scores except for attributes 'cleanliness', 'privacy space', 'unique personal service', 'shuttle service', 'local produce', 'local sightseeing consultation', and 'itinerary planning'
- Males and females have the same performance (P) scores on reservation system

Appendix E: Summary of mean importance and performance scores by age group

Customer service attribute	≦21	21-30	31-40	41-50	51-60	≧61
I Cleanliness	4.77	4.84	4.90	4.86	4.95	4.82
P Cleanliness	3.56	3.63	3.52	3.47	3.70	3.82
I Comfort	4.45	4.51	4.54	4.52	4.57	4.36
P Comfort	3.73	3.72	3.64	3.62	3.71	3.82
I In-room amenities	4.21	4.01	4.08	4.14	4.17	4.09
P In-room amenities	3.70	3.64	3.64	3.62	3.68	3.45
I Privacy space	4.40	4.54	4.54	4.57	4.65	4.64
P Privacy space	3.73	3.66	3.55	3.48	3.71	3.64
I Unique personal service	4.20	4.31	4.40	4.55	4.54	4.36
P Unique personal service	3.99	3.98	3.93	4.03	4.02	4.45
I Efficiently meeting customer requirements	4.40	4.48	4.41	4.38	4.62	4.64
P Efficiently meeting customer requirements	3.54	3.54	3.52	3.48	3.56	3.55
I Reservation system	4.39	4.35	4.41	4.48	4.52	4.18
P Reservation system	3.79	3.68	3.61	3.62	3.67	3.73
I Shuttle service	3.97	3.96	3.85	4.06	4.35	4.00
P Shuttle service	3.65	3.43	3.44	3.52	3.43	3.45
I Breakfast provided	4.00	4.00	4.20	4.35	4.29	4.36
P Breakfast provided	3.52	3.36	3.39	3.43	3.75	3.82
I Feature of food	3.91	3.78	3.98	4.16	4.17	3.82
P Feature of food	3.41	3.23	3.22	3.27	3.48	3.55
I Selection of food	4.02	3.78	3.77	4.06	4.22	3.73
P Selection of food	3.33	3.20	3.19	3.22	3.22	3.55
I Local produce	3.35	3.33	3.34	3.43	3.46	3.27
P Local produce	3.34	3.34	3.27	3.34	3.38	3.32
I Narration of rural hotel	3.68	3.64	3.76	4.03	4.29	4.00
P Narration of rural hotel	3.44	3.44	3.45	3.34	3.56	3.64
I Experience of rural life	4.09	3.99	4.06	4.20	4.13	3.91
P Experience of rural life	3.60	3.44	3.37	3.27	3.27	3.45
I Itinerary planning	4.06	4.11	4.14	4.25	4.43	4.09
P Itinerary planning	3.45	3.50	3.44	3.33	3.41	3.36
I Local sightseeing consultation	4.14	4.24	4.19	4.24	4.38	4.27
P Local sightseeing consultation	3.50	3.51	3.45	3.35	3.43	3.27
I Convenience of parking	4.31	4.32	4.42	4.60	4.68	4.64
P Convenience of parking	3.69	3.71	3.73	3.75	3.70	4.00
I Location	4.38	4.41	4.48	4.52	4.68	4.45
P Location	3.81	3.74	3.71	3.73	3.75	3.82
I En-suite bathroom	4.55	4.65	4.69	4.69	4.74	4.64
P En-suite bathroom	3.84	3.77	3.65	3.63	3.62	3.64
I Security	4.60	4.52	4.58	4.69	4.81	4.73
P Security	3.72	3.52	3.46	3.49	3.38	3.36
I Design and decoration	3.99	4.10	4.22	4.34	4.43	4.18
P Design and decoration	3.70	3.48	3.42	3.39	3.41	3.55

Analysis of variance (ANOVA) was used to analyse the difference in the

constructs within the age groups.

- Age group between 51-60 has higher importance (I) scores on all customer service attributes expect unique personal service, breakfast provided, experience of rural life
- Age group under 21 has lower performance (P) scores on convenience of parking,

  Age group between 21-30 has lower performance (P) scores on shuttle service, breakfast provided,

  Age group between 31-40 has lower performance (P) scores on comfort, unique personal service, reservation system, feature of food, selection of food, local produce, location,

  Age group between 41-50 has lower performance (P) scores on cleanliness, privacy space, efficiency of customer requirements, narration of rural hotel, experience of rural life, itinerary planning, design and decoration,

  Age group between 51-60 has lower performance (P) scores on shuttle service, experience of rural life, en-suite bathroom

  Age group above 61 has lower performance (P) scores on In-room amenities, local sightseeing consultation, security